

**SCHOOL DISTRICT OF THE
BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

**BOARD OF EDUCATION
BOROUGH OF TINTON FALLS
STATE OF NEW JERSEY**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

**PREPARED BY
TINTON FALLS BOARD OF EDUCATION
BOARD SECRETARY'S OFFICE**

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INTRODUCTORY SECTION

THE TINTON FALLS SCHOOL DISTRICT

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John P. Russo
Superintendent of Schools

Richard J. Wesler
Director of Special Services

Tamar R. Sydney-Gens
Business Administrator/Board Secretary

November 23, 2011

Honorable President and
Members of the Board of Education
Tinton Falls Schools
County of Monmouth, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Tinton Falls School District (District) for the fiscal year ended June 30, 2010. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement No. 34. The District has adopted this financial reporting model which we believe will provide all users of this document with more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Tinton Falls School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
 - The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
 - The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School district, generally presented on a multi-year basis;
 - The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit act of 1996, as amended, the U.S. Office of Management and budget circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB< "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.
1. Reporting Entity and its Services: Tinton Falls School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included

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in this report. The Tinton Falls Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8, as well as a pre-school handicapped program. These include regular as well as handicapped students. The District completed the 2010-2011 fiscal year with an enrollment of 1,572 which is thirteen (-13) students below the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last 15 years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1995-1996	1,669	+ .66%
1996-1997	1,751	+4.91%
1997-1998	1,805	+3.08%
1998-1999	1,814	+4.99%
1999-2000	1,909	+5.24%
2000-2001	1,867	- 2.25%
2001-2002	1,810	- 3.15%
2002-2003	1,729	- 4.68%
2003-2004	1,761	+1.85%
2004-2005	1,610	- 8.57%
2005-2006	1,602	-0.005%
2006-2007	1,577	-0.016%
2007-2008	1,578	+0.0007%
2008-2009	1,632	+0.034%
2009-2010	1,585	- 0.028%
2010-2011	1,572	- 0.008%

- Economic Condition and Outlook: The Tinton Falls area is still experiencing a period of steadiness which is expected to continue due to the economy of the country at this time. The economic conditions have been consistent with that of the country. Fort Monmouth will be closing completely in September, 2011. The district is anticipating a small decrease in enrollment based on families who relocate due to the closure. There is a concern regarding the future civilian housing proposed at Earle Naval Weapons Station which will have an impact on any school district's student enrollment and finances. Efforts continue to be made by the Board of Education to limit the exposure to the Tinton Falls School District and their taxpayers.
- Major Initiatives: As a result of a comprehensive review of educational curriculum programs, instruction and services within the district, the following initiatives have been reviewed and or expanded:

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Curriculum Development in the areas of Mathematics (K-3), Comprehensive Health and Physical Education, Technology and Social Studies.

The introduction and use of electronic Grade Book and Parent Portal.

Continued integration of classroom Technologies including interactive white boards and ipads (at Tinton Falls Middle School).

The continuation of Professional Learning Communities for all teachers and support staff.

The upgrade and modification of the Tinton Falls School Media Center to create a 21st Century Learning environment.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. 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 items basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board

"TOGETHER TOWARD TOMORROW"

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(GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

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", Note 2. 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 requires 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, included but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. Other Information: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., was selected by the Board. 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 Amendments of 1996, as amended and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining the individual fund statement and schedules 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.
10. Acknowledgments: We would like to express our appreciation to the members of the Tinton Falls School District 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,

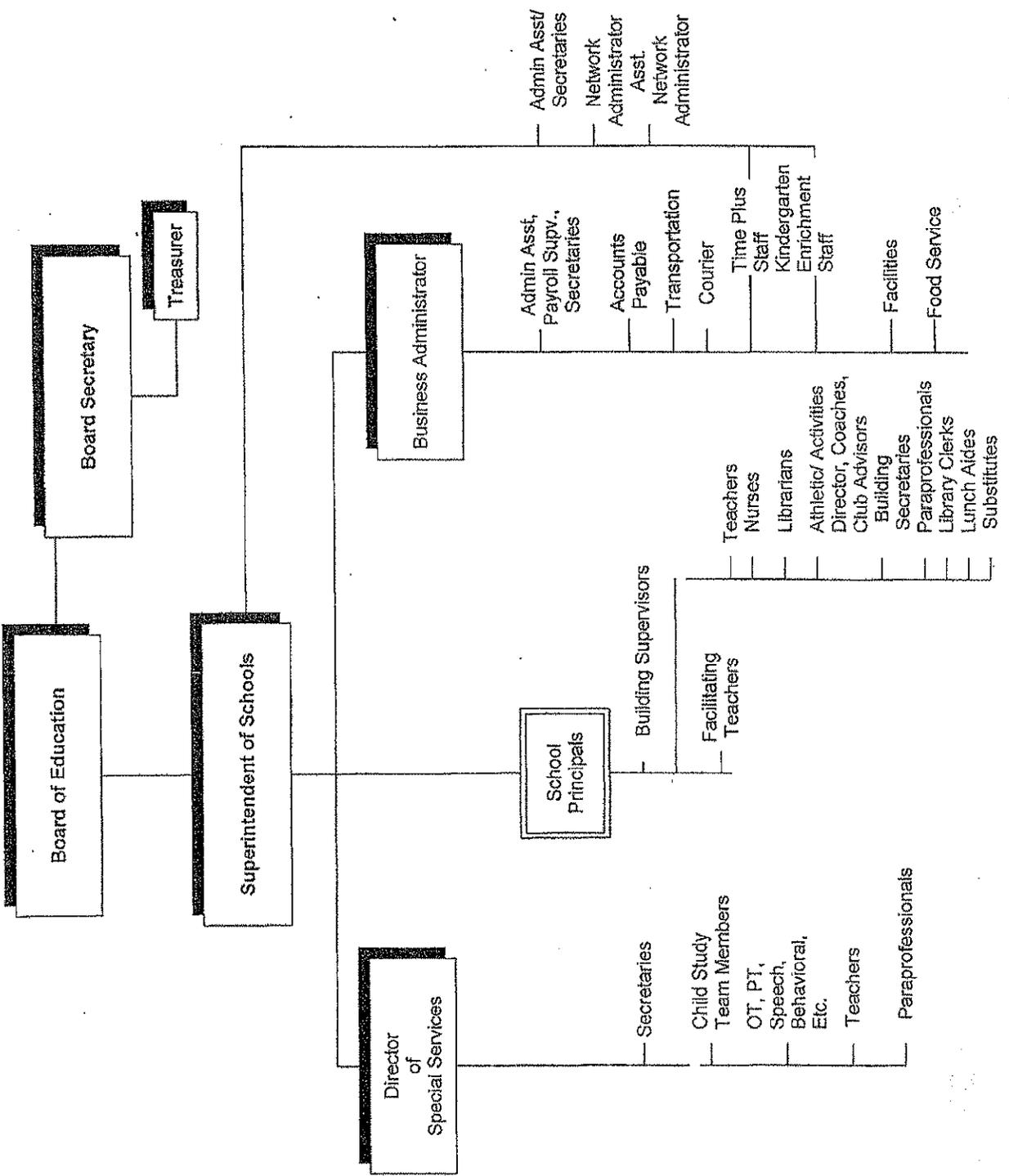


Mr. John Russo
Superintendent of Schools



Mrs. Tamar R. Sydney-Gens
Business Administrator/Board Secretary

TINTON FALLS SCHOOL DISTRICT



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Business Administrator/Board Secretary

ROSTER OF OFFICIALS as of June 30, 2011

Members of the Board of Education

Term Expires

Peter Karavites, President

2014

Kenneth Hager, Vice President

2013

Nicole Alfano

2012

Susan E. Fisher

2013

Paul Ford

2012

Bill Holobowski

2013

Lisa Lucas

2014

Robert Mauro

2012

Frank Pomilla

2014

Other Officials:

Mr. John Russo, Superintendent of Schools

Tamar R. Sydney-Gens, Business Administrator/Board Secretary

John Paredes, Treasurer of School Monies

Martin M. Barger, Solicitor

TINTON FALLS BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Martin M. Barger, Esq.

Official Depository

TD Bank N.A.
New Jersey Cash Management Fund
Bank of America

FINANCIAL SECTION

Ferraioli, Wielkott, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkott, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
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Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Tinton Falls School District
County of Monmouth, New Jersey
Tinton Falls, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Tinton Falls School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Tinton Falls School District Board of Education's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Tinton Falls Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Borough of Tinton Falls Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011 on our consideration of the Borough of Tinton Falls Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tinton Falls Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

October 28, 2011

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The discussion and analysis of the Tinton Falls Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets increased \$3,006,541. Net assets of governmental activities increased by \$2,897,692 and net assets of business-type activity increased by \$108,849.
- General revenues accounted for \$24,237,782 in revenue or 87.4 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,502,154 or 12.6 percent of total revenues of \$27,739,936.
- The School District had \$24,031,181 in expenses related to governmental activities; only \$2,691,591 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,237,782 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net assets and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Tinton Falls Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Assets and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activities** – These services are provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service, Enterprise Fund, Time + program and the Kindergarten Enrichment Program are reported as business activities.

The two statements report the District's net assets and changes in them. The change in net assets can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Tinton Falls Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities).

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Tinton Falls Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects and debt service funds, which are considered to be major funds.

The Tinton Falls Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government-wide statements. The Tinton Falls Board of Education uses proprietary funds to account for its food service program, Kindergarten Enrichment and the Time + program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

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 School District's net assets were \$23,361,005 at June 30, 2011 and \$20,354,464 at June 30, 2010. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2011 compared to 2010 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current and Other Assets	21,586,084	11,915,329	940,184	625,206	22,526,268	12,540,535
Capital Assets	<u>22,711,580</u>	<u>21,195,123</u>	—	—	<u>22,711,580</u>	<u>21,195,123</u>
Total Assets	<u>44,297,664</u>	<u>33,110,452</u>	<u>940,184</u>	<u>625,206</u>	<u>45,237,848</u>	<u>33,735,658</u>
Liabilities						
Current Liabilities	7,929,488	2,927,548	250,780	44,651	8,180,268	2,972,199
Noncurrent Liabilities	<u>13,696,575</u>	<u>10,408,995</u>	—	—	<u>13,696,575</u>	<u>10,408,995</u>
Total Liabilities	<u>21,626,063</u>	<u>13,336,543</u>	<u>250,780</u>	<u>44,651</u>	<u>21,876,843</u>	<u>13,381,194</u>
Net Assets						
Invested in Capital Assets - -						
Net of Debt	8,045,100	9,983,688			8,045,100	9,983,688
Restricted	14,666,358	9,680,083			14,666,358	9,680,083
Unrestricted	<u>(39,857)</u>	<u>110,138</u>	<u>689,404</u>	<u>580,555</u>	<u>649,547</u>	<u>690,693</u>
Total Net Assets	<u>22,671,601</u>	<u>19,773,909</u>	<u>689,404</u>	<u>580,555</u>	<u>23,361,005</u>	<u>20,354,464</u>

This year, the district was able to report a balance of \$649,547 in its unrestricted net assets, which is a decrease from the previous years' balance of \$690,693.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2011 compared to 2010.

**Table 2
Changes in Net Assets
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			686,535	694,402	686,535	694,402
Operating Grants and						
Contributions	1,780,851	1,459,399	124,028	114,424	1,904,879	1,573,823
Capital Grants and						
Contributions	910,740				910,740	
General Revenues:						
Taxes:						
Property taxes	19,922,843	19,207,555			19,922,843	19,207,555
Federal and State Aid						
Not Restricted	4,201,864	4,134,280			4,201,864	4,134,280
Tuition Received	34,161	136,707			34,161	136,707
Miscellaneous Income	51,486	65,459			51,486	65,459
Investment Earnings	26,928	39,121			26,928	39,121
Gain on Disposal of Assets		15,303				15,303
Capital Asset Adjustment	_____	_____	_____	_____	_____	_____
Total Revenues and Transfers	<u>26,928,873</u>	<u>25,057,824</u>	<u>810,563</u>	<u>808,826</u>	<u>27,739,436</u>	<u>25,866,650</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Functions/Program						
Instruction:						
Regular	7,155,788	7,438,363			7,155,788	7,438,363
Special Education	1,869,541	2,059,213			1,869,541	2,059,213
Other Special Instruction	279,564	317,664			279,564	317,664
Other Instruction	112,936	124,842			112,936	124,842
Support Services:						
Tuition	521,532	544,104			521,532	544,104
Student & Instruction						
Related Services	2,762,055	2,905,887			2,762,055	2,905,887
School Administrative						
Services	923,854	908,499			923,854	908,499
General Administrative						
Services	634,441	582,216			634,441	582,216
Central Services and						
Admin. Technology	384,650	389,127			384,650	389,127
Plant Operations and						
Maintenance	1,745,891	1,843,435			1,745,891	1,843,435
Pupil Transportation	1,712,608	1,853,934			1,712,608	1,853,934
Unallocated Benefits	4,517,516	4,465,189			4,517,516	4,465,189
Charter Schools	16,936				16,936	
Capital Outlay - Non-						
Depreciable	10,169	45,688			10,169	45,688
Unallocated Depreciation	813,818	779,482			813,818	779,482
Interest on Long Term Debt	569,882	568,946			569,882	568,946
Food Service			444,806	457,353	444,806	457,353
Time+			167,828	151,532	167,828	151,532
Kindergarten Enrichment			89,080	94,042	89,080	94,042
Total Expenses and Transfers	<u>24,031,181</u>	<u>24,826,589</u>	<u>701,714</u>	<u>702,927</u>	<u>24,732,895</u>	<u>25,529,516</u>
Increase or (Decrease) in						
Net Assets	<u>2,897,692</u>	<u>231,235</u>	<u>108,849</u>	<u>105,899</u>	<u>2,095,801</u>	<u>321,831</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$24,732,895. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$19,922,843 because some of the cost was paid by those who benefitted from the programs \$686,535, by other governments and organizations who subsidized certain programs with grants and contributions \$7,017,483, investment earnings \$26,928 and by miscellaneous sources \$85,647.

Revenues for the District's business-type activities (food service, time + and kindergarten enrichment programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Revenues exceeded expenses by \$108,849.
- ✓ Charges for services provided totaled \$686,535. This represents amounts paid by consumers for charges for services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$124,028.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$20,118,737	74.71%	\$654,737	34.71%
State Sources	5,966,111	22.16%	1,225,789	64.98%
Federal Sources	<u>844,025</u>	<u>3.13%</u>	<u>5,826</u>	<u>0.31%</u>
Total	<u>\$26,928,873</u>	<u>100.00%</u>	<u>\$1,886,352</u>	<u>100.00%</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The decrease in local revenue sources can be attributed to the decrease in interest on investments and miscellaneous revenues. The decrease in state revenue is a result of a decrease in state aid payments to the District.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$9,341,877	34.94%	(\$493,049)	(167.80)%
Undistributed	13,161,261	49.22%	(421,254)	(143.37)%
Capital Outlay	2,443,102	9.14%	1,209,102	411.50%
Debt Service	<u>1,791,165</u>	<u>6.70%</u>	<u>(970)</u>	<u>(0.33)%</u>
Total	<u>\$26,737,405</u>	<u>100.00%</u>	<u>\$293,829</u>	<u>100.00%</u>

Changes in expenditures were the result of varying factors. Current expense undistributed decreased due to significant decrease in State On-Behalf payment for pension benefits cost increases combined with increased student special education costs.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund, special revenue fund, and debt service fund.

During the fiscal year ended June 30, 2011, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and medical retirement, is neither a budgeted revenue item nor a budgeted expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$44,890 for increases in federal, state and local grant revenues.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS,
(continued)**

General Fund

The general fund actual revenue was \$23,402,647. That amount is \$2,029,447 above the final amended budget of \$21,373,200. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,457,267 for TPAF social security reimbursements and on-behalf pension and medical retirement payments, an excess in other state and federal aids of \$552,519, and a \$19,661 excess in local anticipated revenues.

The actual expenditures of the general fund were \$23,483,806, including transfers. This is \$4,757,577 below the final amended budget of \$28,241,383. The variance between the actual expenditures and final budget was due to an unfavorable variance in non-budget on-behalf TPAF social security and pension payments of \$1,457,267, and \$3,300,310 of unexpended budgeted funds.

The general fund had total revenues of \$23,402,647 and total expenditures of \$23,483,806 with an ending fund balance of \$9,354,155.

Special Revenue Fund

The special revenue fund actual revenue was \$896,282. That amount is above the original budget estimate of \$361,282 and equal to the final amended budget. The \$535,000 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved.

The actual expenditures of the special revenue fund were \$896,282, which is above the original budget of \$361,282. The \$535,000 variance between the original budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011, the School District had \$36,304,886 invested in land, buildings and building improvements, machinery and equipment, and construction in progress. Of this amount, \$13,593,306 in depreciation has been taken over the years. We currently have a net book value of \$22,711,580. Total depreciable additions for the year were \$72,711, the majority of which was for various technology and office equipment and building improvements and depreciable deletions of \$100,670, which was various technology items. Table 3 shows fiscal year 2011 balances compared to 2010.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	239,620	239,620	0	0	239,620	239,620
Buildings and Site Improvements	19,689,372	20,426,759	0	0	19,689,372	20,426,759
Furniture, Equipment and Vehicles	422,366	528,744	0	0	422,366	528,744
Construction in Progress	<u>2,360,222</u>				<u>2,360,222</u>	
	<u>22,711,580</u>	<u>21,195,123</u>	<u>0</u>	<u>0</u>	<u>22,711,580</u>	<u>21,195,123</u>

Debt Administration

At June 30, 2011, the district had \$15,234,530 of outstanding debt. Of this amount, \$568,050 is for compensated absences; \$85,480 is for various capital leases; and \$14,581,000 of serial bonds issued for the financing of various school construction projects.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Due to the current state of the economy in New Jersey and across the country, our economic outlook is not as bright as we would hope. This economic reality will have an impact on our ability to advance our program and educational goals. These factors will be considered in preparing the Tinton Falls Board of Education's budget for the 2011-2012 fiscal year.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
TINTON FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS, (continued)

The following factors were considered in preparing the 2011-2012 fiscal year budget:

- Estimated student enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated programs
- Requirements for health and safety issues

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Tinton Falls Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Tamar Sydney-Gens,
School Business Administrator
Tinton Falls School District
658 Tinton Avenue
Tinton Falls, New Jersey 07724

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Tinton Falls School District
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	7,468,163	925,837	8,394,000
Receivables, net	5,189,274	4,984	5,194,258
Interfund Accounts Receivable			-
Inventory		9,363	9,363
Restricted assets:			
Cash and cash equivalents	8,928,647		
Capital assets, net :	22,711,580		22,711,580
Total Assets	<u>44,297,664</u>	<u>940,184</u>	<u>36,309,201</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,972,024	213,381	3,185,405
Prepaid Taxes	12,288		12,288
Interfund Accounts Payable			-
Payable to federal and state government	9,760		9,760
Deferred revenue	3,397,461	37,399	3,434,860
Noncurrent liabilities:			
Due within one year	1,537,955		1,537,955
Due beyond one year	13,696,575		13,696,575
Total liabilities	<u>21,626,063</u>	<u>250,780</u>	<u>21,876,843</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,045,100		8,045,100
Restricted for:			
Debt service	3,959		3,959
Capital projects	6,864,914		6,864,914
Other Purposes	7,797,485		7,797,485
Unrestricted (Deficit)	(39,857)	689,404	649,547
Total net assets	<u>22,671,601</u>	<u>689,404</u>	<u>23,361,005</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Tinton Falls School District
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	7,079,836	75,952		625,307		(6,530,481)		(6,530,481)
Special education	1,869,541					(1,869,541)		(1,869,541)
Other special instruction	279,564					(279,564)		(279,564)
Other instruction	112,936					(112,936)		(112,936)
Support services:								
Tuition	521,532					(521,532)		(521,532)
Student & instruction related services	2,742,475	19,580		260,806		(2,501,249)		(2,501,249)
General administrative services	634,441					(634,441)		(634,441)
School administrative services	923,854					(923,854)		(923,854)
Central Services and Administrative Technology	384,650					(384,650)		(384,650)
Plant operations and maintenance	1,738,765	7,126		844,614		(1,745,891)		(1,745,891)
Pupil transportation	1,712,608					(867,994)		(867,994)
Employee Benefits	4,517,516				910,740	(4,517,516)		(4,517,516)
Capital outlay-undepreciable	10,169					900,571		900,571
Charter Schools	16,936					(16,936)		(16,936)
Interest on long-term debt	569,882			50,124		(519,758)		(519,758)
Unallocated depreciation	813,818					(813,818)		(813,818)
Total governmental activities	23,928,523	102,658	-	1,780,851	910,740	(21,339,590)		(21,339,590)
Business-type activities:								
Food Service	444,806			124,028		346,008	25,230	25,230
Time +	167,828					182,109	14,281	14,281
Kindergarten Enrichment Program	89,080					158,418	69,338	69,338
Total business-type activities	701,714	-		124,028		686,535	108,849	108,849
Total primary government	24,630,237	102,658	-	1,904,879	910,740	(21,339,590)	108,849	(21,230,741)
General revenues:								
Property Taxes Levied for:								
General Purposes						18,387,437		18,387,437
Debt Service						1,535,406		1,535,406
Federal and State aid not restricted						4,201,864		4,201,864
Tuition received						34,161		34,161
Investment Earnings						26,928		26,928
Miscellaneous Income						51,486		51,486
Total general revenues, special items, extraordinary items and transfers						24,237,282		24,237,282
Change in Net Assets						2,897,692	108,849	3,006,541
Net Assets—beginning						19,775,909	580,555	20,356,464
Net Assets—ending						22,673,601	689,404	23,363,005

The accompanying Notes to the Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**Tinton Falls School District
Balance Sheet
Governmental Funds
June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	7,719,128	(255,693)		4,728	7,468,163
Receivables from Other Governments	466,879	529,176	4,193,219		5,189,274
Tuitions Receivable					
Restricted Cash and Cash Equivalents	<u>1,725,729</u>		<u>7,202,918</u>		<u>8,928,647</u>
Total Assets	<u>9,911,736</u>	<u>273,483</u>	<u>11,396,137</u>	<u>4,728</u>	<u>21,586,084</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	779,721	105,485	1,911,537		2,796,743
Prepaid Taxes	11,519			769	12,288
Payable to Federal and State Governments		9,760			9,760
Interfund Accounts Payable					
Deferred Revenue	<u>51,163</u>	<u>158,238</u>	<u>3,188,060</u>		<u>3,397,461</u>
Total Liabilities	<u>842,403</u>	<u>273,483</u>	<u>5,099,597</u>	<u>769</u>	<u>6,216,252</u>
Fund Balances:					
Restricted for:					
Excess Surplus -- current year	2,658,008				2,658,008
Excess Surplus - prior year -designated for subsequent year's expenditures	1,218,276				1,218,276
Emergency Reserve	250,000				250,000
Maintenance Reserve	907,355				907,355
Capital Reserve	568,374				568,374
Debt Service				3,959	3,959
Capital Projects			6,296,540		6,296,540
Committed to:					
Other purposes	2,277,928				2,277,928
Assigned to:					
Debt Service					
Designated by the BOE for subsequent year's expenditures	485,918				485,918
Capital Projects					
Unassigned:					
General Fund	703,474				703,474
Special Revenue Fund					
Total Fund Balances	<u>9,069,333</u>		<u>6,296,540</u>	<u>3,959</u>	<u>15,369,832</u>
Total Liabilities and Fund Balances	<u>9,911,736</u>	<u>273,483</u>	<u>11,396,137</u>	<u>4,728</u>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$33,972,623 and the accumulated depreciation is \$12,777,500.	22,711,580
Interest on Long-term debt accrued	(175,281)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)	<u>(15,234,530)</u>
Net assets of governmental activities	<u>22,671,601</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Tinton Falls School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	<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:					
Local Tax Levy	18,387,437			1,535,406	19,922,843
Tuition Fees	34,161				34,161
Interest Earned on Capital Reserve Funds	975				975
Interest Earned on Emergency Reserve Funds	-				-
Interest Earned on Investments	23,040		2,913		25,953
Miscellaneous	51,486	83,319			134,805
Total - Local Sources	<u>18,497,099</u>	<u>83,319</u>	<u>2,913</u>	<u>1,535,406</u>	<u>20,118,737</u>
State Sources	4,912,381	92,866	910,740	50,124	5,966,111
Federal Sources	123,928	720,097			844,025
Total Revenues	<u>23,533,408</u>	<u>896,282</u>	<u>913,653</u>	<u>1,585,530</u>	<u>26,928,873</u>
EXPENDITURES					
Current:					
Regular Instruction	6,454,529	625,307			7,079,836
Special Education Instruction	1,869,541				1,869,541
Other Special Instruction	279,564				279,564
Other Instruction	112,936				112,936
Support Services and Undistributed Costs:					
Tuition	521,532				521,532
Student & Instruction Related Services	2,524,624	260,806			2,785,430
General Administrative Services	634,441				634,441
School Administrative Services	923,854				923,854
Central Services and Administrative Technology	384,650				384,650
Plant Operations and Maintenance	1,738,765				1,738,765
Pupil Transportation	1,712,608				1,712,608
Employee Benefits	4,459,981				4,459,981
Debt Service:					
Principal				1,270,000	1,270,000
Interest and Other Charges				521,165	521,165
Capital Outlay	131,080	10,169	2,301,853		2,443,102
Total Expenditures	<u>21,748,105</u>	<u>896,282</u>	<u>2,301,853</u>	<u>1,791,165</u>	<u>26,737,405</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>1,785,303</u>	<u>-</u>	<u>(1,388,200)</u>	<u>(205,635)</u>	<u>191,468</u>
OTHER FINANCING SOURCES (USES)					
Capital Leases (non-budgeted)					-
Bond Proceeds			4,768,000		4,768,000
Transfers in			1,718,765	207,913	1,926,678
Transfers out	(1,735,701)		(207,913)		(1,943,614)
Total other financing sources and uses	<u>(1,735,701)</u>	<u>-</u>	<u>6,278,852</u>	<u>207,913</u>	<u>4,751,064</u>
SPECIAL ITEM					
Proceeds from sale of land	-	-	-	-	-
Net Change in Fund Balances	49,602	-	4,890,652	2,278	4,942,532
Fund Balance—July 1	9,019,731		1,405,888	1,681	10,427,300
Fund Balance—June 30	<u>9,069,333</u>	<u>-</u>	<u>6,296,540</u>	<u>3,959</u>	<u>15,369,832</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Tinton Falls School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2011**

Total net change in fund balances - governmental funds (from B-2)	4,942,532
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Depreciation expense	(916,476)
Depreciable Capital outlays	2,432,933
Gain on Disposal of Capital Assets	
<p>Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:</p>	
Principal Payments	1,270,000
Capital Lease Principal	42,955
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>	
	(4,768,000)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>	
<p>Some items 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. These activities consist of:</p>	
Increase in compensated absences payable	(57,535)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition in the reconciliation.</p>	
Accrued interest - current year	(175,281)
Accrued interest - prior year	126,564
 Change in net assets of governmental activities	 <u>2,897,692</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Tinton Falls School District
Combining Statement of Net Assets
Enterprise Funds
June 30, 2011

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	322,347	278,303	325,187	925,837
Accounts Receivable:				
State	224			224
Federal	4,760			4,760
Inventory	9,363			9,363
Total Current Assets	<u>336,694</u>	<u>278,303</u>	<u>325,187</u>	<u>940,184</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	20,878			20,878
Less Accumulated Depreciation	<u>(20,878)</u>			<u>(20,878)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>(0)</u>	-	-	<u>(0)</u>
Total Assets	<u>336,694</u>	<u>278,303</u>	<u>325,187</u>	<u>940,184</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	213,281	100		213,381
Deferred Revenue	6,824		30,575	37,399
Total Current Liabilities	<u>220,105</u>	<u>100</u>	<u>30,575</u>	<u>250,780</u>
Noncurrent Liabilities:				
Compensated Absences				-
Total Noncurrent Liabilities	-	-	-	-
Total Liabilities	<u>220,105</u>	<u>100</u>	<u>30,575</u>	<u>250,780</u>
NET ASSETS				
Invested in Capital Assets Net of Related Debt	(0)			(0)
Unrestricted	116,589	278,203	294,612	689,404
Total Net Assets	<u>116,589</u>	<u>278,203</u>	<u>294,612</u>	<u>689,404</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Tinton Falls School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended June 30, 2011

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	193,139			193,139
Daily Sales - Non-Reimbursable Programs	149,607			149,607
Miscellaneous	3,262	182,109	158,418	343,789
Total Operating Revenues	<u>346,008</u>	<u>182,109</u>	<u>158,418</u>	<u>686,535</u>
Operating Expenses:				
Cost of Sales	206,132			206,132
Cost of Labor	172,689	139,658	73,298	385,645
Supplies and Materials	36,762	1,654	749	39,165
Employee Benefits	18,983	24,836	13,048	56,867
Miscellaneous Expense	10,240	1,680	1,985	13,905
Total Operating Expenses	<u>444,806</u>	<u>167,828</u>	<u>89,080</u>	<u>701,714</u>
Operating Income (Loss)	<u>(98,798)</u>	<u>14,281</u>	<u>69,338</u>	<u>(15,179)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,643			4,643
Federal Sources:				
National School Lunch Program	101,942			101,942
Food Distribution Program	17,443			17,443
Total Nonoperating Revenues (Expenses)	<u>124,028</u>	<u>-</u>	<u>-</u>	<u>124,028</u>
Income (Loss) Before Contributions & Transfers	<u>25,230</u>	<u>14,281</u>	<u>69,338</u>	<u>108,849</u>
Transfers In (Out)				-
Change in Net Assets	<u>25,230</u>	<u>14,281</u>	<u>69,338</u>	<u>108,849</u>
Total Net Assets - Beginning	<u>91,359</u>	<u>263,922</u>	<u>225,274</u>	<u>580,555</u>
Total Net Assets—Ending	<u>116,589</u>	<u>278,203</u>	<u>294,612</u>	<u>689,404</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2011

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	352,832	182,109	158,418	693,359
Payments to employees		(139,658)	(73,298)	(212,956)
Payments for Miscellaneous Expenses	(65,985)	(29,606)	(18,477)	(114,068)
Payments to Food Service Management Company	(178,712)			(178,712)
Net Cash Provided by (Used for) Operating Activities	<u>108,135</u>	<u>12,845</u>	<u>66,643</u>	<u>187,623</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	4,915			4,915
Federal Sources	143,949			143,949
Local Sources				-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>148,864</u>	<u>-</u>	<u>-</u>	<u>148,864</u>
Net Increase (Decrease) in Cash and Cash Equivalents	256,999	12,845	66,643	336,487
Balances—Beginning of Year	65,348	265,458	258,544	589,350
Balances—End of Year	<u>322,347</u>	<u>278,303</u>	<u>325,187</u>	<u>925,837</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided				
(Used) by Operating Activities:				
Operating Income (Loss)	(98,798)	14,281	69,338	(15,179)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:				
Increase (Decrease) in Deferred Revenue	6,824			6,824
(Increase) Decrease Inventory	(3,327)			(3,327)
Increase (Decrease) in Accounts Payable	203,436	(1,436)	(2,695)	199,305
Total Adjustments	<u>206,933</u>	<u>(1,436)</u>	<u>(2,695)</u>	<u>202,802</u>
Net Cash Provided by (Used for) Operating Activities	<u>108,135</u>	<u>12,845</u>	<u>66,643</u>	<u>187,623</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Tinton Falls School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011**

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	75,396
Total Assets	<u>75,396</u>
LIABILITIES	
Payable to student groups	70,633
Payroll deductions and withholdings	<u>4,763</u>
Total Liabilities	<u>75,396</u>
NET ASSETS	<u><u> </u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education of the Borough of Tinton Falls ("Board") School District (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Tinton Falls School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or function and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, including all taxes, are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets.

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Agency Funds - Agency funds are used to account for the assets that the Board holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements, (continued)

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue funds and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Encumbrances:

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 reservations of 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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that 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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 2011 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset's life are not.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as accumulated vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

N. Accrued Liabilities and Long-term Obligations: (continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2011, \$-0- of the District's bank balance of \$17,708,260 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2011, the District had \$2,907,826 on deposit with the New Jersey Cash Management Fund.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 4. RECEIVABLES

Receivables at June 30, 2011, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$4,660,098	\$224	\$4,660,322
Federal Aid	519,755	4,760	524,515
Other	<u>9,421</u>	<u>0</u>	<u>9,421</u>
Gross receivables	5,189,274	4,984	5,194,258
Less: Allowance for Uncollectibles	<u>0</u>	<u>0</u>	<u>0</u>
Total Receivables, Net	<u>\$5,189,274</u>	<u>\$4,984</u>	<u>\$5,194,258</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance 6/30/10	Additions	Deductions	Balance 6/30/11
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$239,620	\$	\$	\$239,620
Construction in Progress	<u> </u>	<u>2,360,222</u>	<u> </u>	<u>2,360,222</u>
Total Capital Assets, Not Being Depreciated	<u>239,620</u>	<u>2,360,222</u>	<u> </u>	<u>2,599,842</u>
Capital Assets Being Depreciated				
Sites and Improvements	1,577,610			1,577,610
Buildings and Improvements	30,247,613	28,655		30,276,268
Furniture, Equipment and Vehicles	<u>1,907,780</u>	<u>44,056</u>	<u>100,670</u>	<u>1,851,166</u>
Total Capital Assets, Being Depreciated	<u>33,733,003</u>	<u>72,711</u>	<u>100,670</u>	<u>33,705,044</u>
Less Accumulated Depreciation:				
Sites and Improvements	(1,238,270)	(73,077)		(1,311,347)
Buildings and Improvements	(10,160,194)	(692,965)		(10,853,159)
Furniture, Equipment and Vehicles	<u>(1,379,036)</u>	<u>(150,434)</u>	<u>(100,670)</u>	<u>(1,428,800)</u>
Total Accumulated Depreciation	<u>(12,777,500)</u>	<u>(916,476)</u>	<u>(100,670)</u>	<u>(13,593,306)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,955,503</u>	<u>(843,765)</u>	<u> </u>	<u>20,111,738</u>
Governmental Activities Capital Assets, Net	<u>\$21,195,123</u>	<u>\$1,516,457</u>	<u>\$</u>	<u>\$22,711,580</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 5. CAPITAL ASSETS, (continued)

	Balance <u>6/30/10</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/11</u>
Business-Type Activity				
Machinery and Equipment	<u>20,878</u>	_____	_____	<u>20,878</u>
Totals	<u>20,878</u>	_____	_____	<u>20,878</u>
Less Accumulated Depreciation				
Machinery and Equipment	<u>(20,878)</u>	_____	_____	<u>(20,878)</u>
Total Accumulated Depreciation	<u>(20,878)</u>	_____	_____	<u>(20,878)</u>
Business-Type Activity Capital Assets, Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Depreciation expense was charged to the functions as follows:

Instruction - Regular	\$75,952
Support Services - Administration	19,580
Plant Operations and Maintenance	7,126
Unallocated Depreciation	<u>813,818</u>
Total Depreciation Expense	<u>\$916,476</u>

NOTE 6. LONG-TERM DEBT OBLIGATIONS

For the fiscal year ended June 30, 2011 the following liabilities are reported in the general long-term debt account group:

	Balance <u>June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2011</u>	Amounts Due Within <u>One Year</u>
Compensated absences payable	\$510,515	\$134,342	\$76,807	\$568,050	
Bonds payable	11,083,000	4,768,000	1,270,000	14,581,000	\$1,495,000
Capital leases payable	<u>128,435</u>	_____	<u>42,955</u>	<u>85,480</u>	<u>42,955</u>
	<u>\$11,721,950</u>	<u>\$4,902,342</u>	<u>\$1,389,762</u>	<u>\$15,234,530</u>	<u>\$1,537,955</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 6. LONG-TERM DEBT OBLIGATIONS, (continued)

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$1,495,000	\$650,667	\$2,145,667
2013	1,550,000	559,660	2,109,660
2014	1,625,000	484,960	2,109,960
2015	1,695,000	406,900	2,101,900
2016	1,730,000	326,330	2,056,330
2017	1,330,000	254,643	1,584,643
2018	485,000	214,455	699,455
2019	500,000	194,865	694,865
2020	520,000	174,065	694,065
2021	525,000	151,915	676,915
2022	538,000	129,602	667,602
2023	245,000	106,303	351,303
2024	255,000	96,502	351,502
2025	265,000	86,303	351,303
2026	275,000	75,702	350,702
2027	285,000	64,703	349,703
2028	300,000	53,302	353,302
2029	310,000	40,928	350,928
2030	325,000	27,752	352,752
2031	<u>328,000</u>	<u>13,940</u>	<u>341,940</u>
Total	<u>\$14,581,000</u>	<u>\$4,113,497</u>	<u>\$18,694,497</u>

B. Capital Leases Payable:

The District is leasing transportation equipment and copying machines under capital leases. All capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011.

<u>Year</u>	
2012	\$42,955
2013	<u>42,525</u>
Total Minimum Lease Payments	<u>\$85,480</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. 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.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/11	\$222,515
6/30/10	171,905
6/30/09	124,982

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 7. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal pension and post retirement medical benefits were as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/11	\$ - 0 -	\$701,212	\$33,014
6/30/10	- 0 -	676,918	36,042
6/30/09	- 0 -	631,332	33,093

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$734,226 to the TPAF for NCGI premium contributions and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$723,041 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

NOTE 8. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding 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 Chapter 126, which provides free 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. In fiscal year 2010, the State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable
Valic

State of New Jersey Tax Shelter Annuity
MetLife

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Workers' Compensation Insurance - The District is currently a member of the New Jersey School Boards Association Insurance Group (the "Group"). The Group provides the District with Workers' Compensation. The Group is a risk-sharing public entity risk pool that is both an insured and self administered group of school boards established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities.

The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Tinton Falls Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 11. CAPITAL RESERVE ACCOUNT, (continued)

Funds placed in the capital reserve account 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. 6A:23A-14.1(g)*, the balance in the account 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 July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	\$1,926,164
Interest Earnings	975
Deposits:	
Transfer by Board Resolution, June 20, 2011	360,000
Withdrawals	
Budget Appropriation	<u>(1,718,765)</u>
Ending Balance, June 30, 2011	<u>\$568,374</u>

NOTE 12. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	<u>\$250,000</u>
Ending balance, June 30, 2011	<u>\$250,000</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 13. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education by inclusion of \$66,599 in the 2002-2003 budget. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The balance as of June 30, 2011 is \$907,355.

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$9,069,333 General Fund fund balance at June 30, 2011, \$2,277,928 is reserved for encumbrances; \$3,876,284 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,218,276 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$568,374 has been reserved in the Capital Reserve Account; \$907,355 has been reserved in the maintenance reserve account; \$250,000 has been reserved in the Emergency Reserve Account; \$485,918 has been appropriated and included as anticipated revenue for the year ending June 30, 2012, and \$703,474 is unreserved and undesignated.

Debt Service Fund - Of the \$3,959 Debt Service Fund fund balance at June 30, 2011, \$146 has been appropriated and included as anticipated revenue for the year ending June 30, 2012 and \$3,813 is restricted for debt service.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — 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 at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$2,658,008.

NOTE 16. CONTINGENT LIABILITIES

The Board and the Board's attorney advises us that there are no pending or threatened litigation, unasserted claims or assessments.

NOTE 17. SUBSEQUENT EVENTS

In July of 2011, the District issued \$2,150,000 Refunding School Bonds. The bonds, together with an initial cash deposit of \$743,834 from the Capital Project Fund, was issued to advance refund all the outstanding 2002 School Bonds of the District issued in the principal amount of \$4,683,000 and dated March 2, 2002, and to pay the costs of issuance of the Bonds. The Refunding Bonds mature on March 15 of each year and bear interest at rates from 3.00% to 5.00% payable each March 15 and September 15 until maturity.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	18,387,437		18,387,437	18,387,437	34,161
Tuition				34,161	975
Interest Earned on Capital Reserve Funds				23,040	23,040
Interest Earned on Emergency Reserve Funds				51,486	(38,515)
Miscellaneous	90,001		90,001		
Total - Local Sources	<u>18,477,438</u>		<u>18,477,438</u>	<u>18,497,099</u>	<u>19,661</u>
State Sources:					
Categorical Transportation Aid	844,614		844,614	844,614	
Categorical Special Education Aid	855,191		855,191	855,191	
Categorical Security Aid	145,007		145,007	145,007	
Adjustment Aid	1,050,950		1,050,950	1,050,950	
Extraordinary Aid				391,105	391,105
Other State Aid-Reimbursed Nonpublic Transportation				37,486	37,486
On-behalf TPAF NCGI Premium (non-budgeted)				33,014	33,014
On-behalf TPAF Post-Retirement Medical (non-budgeted)				701,212	701,212
TPAF Social Security (Reimbursed - Non-Budgeted)				723,041	723,041
Total - State Sources	<u>2,895,762</u>		<u>2,895,762</u>	<u>4,781,620</u>	<u>1,885,858</u>
Federal sources:					
P.L. 81-874 (Impact Aid)				119,174	119,174
Special Education Medicaid Initiative (SEMI)				4,754	4,754
Total - Federal Sources				<u>123,928</u>	<u>123,928</u>
TOTAL REVENUES	<u>21,373,200</u>		<u>21,373,200</u>	<u>23,402,647</u>	<u>2,029,447</u>

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	244,638	31,124	275,762	234,549	41,213
Grades 1-5 - Salaries of Teachers	3,668,926	478,460	4,147,386	3,417,968	729,418
Grades 6-8 - Salaries of Teachers	2,647,247	382,593	3,029,840	2,552,180	677,660
Regular Programs - Home Instruction:					
Salaries of Teachers	9,000	900	9,900		9,900
Purchased Professional-Educational Services		326	326		326
Other Purchased Services (400-500 series)	800	(326)	474		474
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	14,545	1,000	15,545		15,545
Purchased Technical Services	17,350	(1,600)	15,750	2,115	10,830
Other Purchased Professional and Technical Services	99,074	7,130	106,204	23,080	1,400
Other Purchased Services (400-500 series)	4,500	(7,175)	(2,675)	81,447	10,452
Travel	406,118	(130)	405,988	619	3,751
General Supplies	69,821	32,136	101,957	323,647	114,607
Textbooks	20,441	(47,856)	(27,415)	3,492	18,473
Other Objects		(2,400)	(2,400)	15,432	2,609
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,202,460	874,182	8,076,642	6,454,529	1,622,113
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	176,345	98,555	274,900	114,160	160,740
Other Salaries for Instruction	28,938	45,318	74,256	25,019	49,237
General Supplies	1,150	(325)	825	658	167
Textbooks	400		400		400
Total Learning and/or Language Disabilities	206,833	143,548	350,381	139,837	210,544
Multiple Disabilities:					
Salaries of Teachers	325,218	90,390	415,608	302,113	113,495
Other Salaries for Instruction	5,000	40,168	45,168	7,345	32,823
General Supplies	200	(400)	4,600	3,963	637
Textbooks		(200)			
Total Multiple Disabilities	330,418	129,958	460,376	313,421	146,955

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	1,335,628	151,036	1,486,664	1,135,382	351,282
Other Salaries for Instruction		943	943	539	404
Travel	200		200	200	
General Supplies	5,827	(1,200)	4,627	4,305	322
Textbooks	700		700	667	33
	<u>1,342,355</u>	<u>150,779</u>	<u>1,493,134</u>	<u>1,140,893</u>	<u>352,241</u>
Total Resource Room/Resource Center					
Autism:					
Salaries of Teachers	55,917	5,723	61,640	45,395	16,245
Other Salaries for Instruction	28,242	9,622	37,864	28,191	9,673
General Supplies	400		400	387	13
	<u>84,559</u>	<u>15,345</u>	<u>99,904</u>	<u>73,973</u>	<u>25,931</u>
Total Autism					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	88,594	10,923	99,517	84,518	14,999
Other Salaries for Instruction	59,605	5,494	65,099	30,149	34,950
Travel	100		100	100	
General Supplies	3,300	(1,125)	2,175	905	1,270
	<u>151,599</u>	<u>15,292</u>	<u>166,891</u>	<u>115,572</u>	<u>51,319</u>
Total Preschool Disabilities - Part-Time					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	75,597	22,936	98,533	72,185	26,348
Other Salaries for Instruction	2,051		2,051	2,051	
General Supplies	1,200		1,200	725	475
	<u>78,848</u>	<u>22,936</u>	<u>101,784</u>	<u>72,910</u>	<u>28,874</u>
Total Preschool Disabilities - Full-Time					
Special Education - Home Instruction					
Salaries of Teachers	30,000	27,327	57,327	11,148	46,179
Purchased Professional-Educational Services	1,000	2,850	3,850	1,787	2,063
Travel	150		150		150
	<u>31,150</u>	<u>30,177</u>	<u>61,327</u>	<u>12,935</u>	<u>48,392</u>
Total Home Instruction					
	<u>2,225,762</u>	<u>508,035</u>	<u>2,733,797</u>	<u>1,869,541</u>	<u>864,256</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION					
Basic Skills/Remedial - Instruction					
Salaries of Teachers	212,901	138,290	351,191	198,077	153,114
General Supplies	5,402	(1,505)	3,897	3,827	70
	<u>218,303</u>	<u>136,785</u>	<u>355,088</u>	<u>201,904</u>	<u>153,184</u>
Total Basic Skills/Remedial - Instruction					
Bilingual Education - Instruction					
Salaries of Teachers	78,658	8,342	87,000	75,185	11,815
Travel	150	(82)	68		68
General Supplies	3,301	(790)	2,511	2,475	36
	<u>82,109</u>	<u>7,470</u>	<u>89,579</u>	<u>77,660</u>	<u>11,919</u>
Total Bilingual Education - Instruction					

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Activities - Instruction					
Salaries	67,482	24,002	91,484	60,054	31,430
Supplies and Materials	4,883	60	4,943	2,503	2,440
Total School-Sponsored Cocurricular Activities - Instruction	72,365	24,062	96,427	62,557	33,870
School-Sponsored Athletics - Instruction					
Salaries	41,106	3,585	44,691	40,719	3,972
Purchased Services (300-500 series)	10,795	65	10,860	5,596	5,264
Supplies and Materials	10,132	219	10,351	4,064	6,287
Total Other Instructional Programs - Instruction	62,033	3,869	65,902	50,379	15,523
TOTAL INSTRUCTION	9,863,032	1,554,403	11,417,435	8,716,570	2,700,865
Undistributed Expenditures - Instruction:					
Tuition to Private Schools for the Handicapped - Within State	643,003	(29,180)	613,823	521,532	92,291
Total Undistributed Expenditures - Instruction:	643,003	(29,180)	613,823	521,532	92,291
Undist. Expend. - Health Services					
Salaries	262,489	22,920	285,409	243,431	41,978
Purchased Professional and Technical Services	9,480		9,480	4,095	5,385
Other Purchased Services (400-500 series)	6,210	6,158	12,368	7,705	4,663
Travel	50		50		50
Supplies and Materials	3,625	550	4,175	3,839	336
Other Objects	60		60		60
Total Undistributed Expenditures - Health Services	281,914	29,628	311,542	259,130	52,412
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	423,301	96,868	520,169	366,449	153,720
Purchased Professional - Educational Services	39,000	5,335	44,335	19,890	24,445
Travel	50		50		50
Supplies and Materials	3,740	514	4,254	4,080	174
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	466,091	102,717	568,808	390,419	178,389
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.					
Salaries	876,175	105,848	982,023	732,881	249,142
Other Salaries	3,000	(624)	2,376	300	2,076
Purchased Professional - Educational Services	250		250	232	18
Supplies and Materials					
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	879,425	105,224	984,649	733,413	251,236

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	189,883	51,365	241,248	164,105	77,143
Salaries of Secretarial and Clerical Assistants	1,000		1,000	210	790
Other Salaries		3,500	3,500	3,500	3,500
Purchased Professional - Educational Services	4,500		4,500	4,123	377
Other Purchased Prof. and Tech. Services	4,750		4,750	738	4,012
Other Purchased Services (400-500 series)	750		750	379	371
Travel	25		25	20	5
Supplies and Materials	4,726	(115)	4,611	2,324	2,287
Other Objects	300	(250)	50		50
Miscellaneous Expenditures		115	115		
Total Undist. Expend. - Guidance	205,934	54,615	260,549	172,006	88,543
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	574,464	46,399	620,863	473,771	147,092
Salaries of Secretarial and Clerical Assistants		3,451	3,451	423	3,028
Other Salaries	64,552	16,056	80,608	11,492	69,116
Purchased Professional - Educational Services	45,500	(1,500)	44,000	5,050	38,950
Other Purchased Prof. and Tech. Services	1,000		1,000		1,000
Other Purchased Services (400-500 series)	6,595		6,595	6,595	
Purchased Services - Maintenance	1,050		1,050	804	246
Travel	2,010	528	2,538	978	1,560
Miscellaneous Purchased Services	1,100		1,100	555	545
Supplies and Materials	4,492	1,052	5,544	4,483	1,061
Other Objects	3,000		3,000	752	2,248
Miscellaneous Expenditures		(476)	2,524		
Total Undist. Expend. - Child Study Team	706,763	65,510	772,273	507,427	264,846
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	160,876	6,500	167,376	143,457	23,919
Salaries of Secretarial and Clerical Assistants	49,456	710	50,166	49,107	1,059
Other Salaries	118,674	43,316	161,990	51,133	110,857
Salaries of Facilitators, Math and Literacy Coaches	89,558	13,603	103,161	59,589	43,572
Purchased Prof- Educational Services	20,000		20,000	1,200	18,800
Other Purch Prof. and Tech. Services					
Other Purch Services (400-500)	2,000		2,000		2,000
Supplies and Materials	9,000	790	9,790	2,566	7,224
General Supplies	6,100		6,100		6,100
Total Undist. Expend. - Improvement of Inst. Services	455,664	64,919	520,583	307,052	213,531
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	47,527	9,915	57,442	46,245	11,197
Other Salaries for Instruction	84,543	12,530	97,073	79,742	17,331
Purchased Professional and Technical Services	14,880	(50)	14,830	2,050	12,780
Other Purchased Services (400-500 series)	500		500	274	226
Supplies and Materials	11,720	13,495	25,215	19,839	5,376
Miscellaneous Expenditures					
Total Undist. Expend. - Educational Media Serv./Sch. Library	159,170	35,890	195,060	148,150	46,910

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	4,500	7,988	12,488	161,448	12,488
Other Salaries		5,638	5,638	104,908	5,638
Purchased Professional - Educational Services	2,200	(1,000)	1,200	48,784	1,200
Other Purchased Services (400-500 series)	500		500	29,887	500
Travel	11,251	49	11,300	787	10,513
Miscellaneous Expenditures	11,500	1,556	13,056	6,240	6,816
Total Undist. Expend. - Instructional Staff Training Serv.	29,951	14,231	44,182	7,027	37,155
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	154,839	11,600	166,439	161,448	4,991
Salaries of Secretarial Assistants	119,474	8,213	127,687	104,908	22,779
Other Salaries		33,425	33,425	33,425	
Legal Services	70,000	4,915	74,915	48,784	26,131
Audit Fees	30,600	1,462	32,062	29,887	2,175
Architectural/Engineering Services	17,000	(12,287)	4,713	49,989	4,713
Other Purchased Professional Services	41,150	30,816	71,966	11,937	21,977
Purchased Technical Services	18,000	(1,502)	16,498	7,700	4,561
Other Purch. Prof. and Tech. Services	10,448	(2,748)	7,700	84,463	34,559
Communications/Telephone	102,420	16,602	119,022	12,226	12,512
Postage	27,726	(2,988)	24,738	3,000	174
Travel	3,000	174	3,174	50,913	2,174
Board of Education Other Purchased Services	3,500	(1,326)	2,174	15,395	3,640
Miscellaneous Purchased Services	59,253	(4,700)	54,553	290	1,999
Supplies and Materials	20,500	(1,000)	19,500	32,929	13,255
BOE Training/Meeting Supplies	4,000	(1,711)	2,289	8,068	1,407
Other Objects	300		300	12,504	1
Judgments Against the School District	10,000	36,184	46,184		
Miscellaneous Expenditures	11,475	(2,000)	9,475		
BOE Membership Dues/Fees	15,000	(2,495)	12,505		
Total Undist. Expend. - Supp. Serv. - General Administration	718,685	110,634	829,319	634,441	194,878
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	349,793	20,589	370,382	369,395	987
Salaries of Other Professional Staff	134,951	508	135,459	135,459	
Salaries of Secretarial and Clerical Assistants	399,930	36,663	436,593	382,373	54,220
Other Salaries	7,961	844	8,805	8,213	592
Purchased Professional and Technical Services	18,660	(5,600)	13,060	8,099	4,961
Other Purchased Services (400-500 series)	3,800		3,800	1,458	2,342
Travel	8,350	(3,452)	4,898	81	4,817
Supplies and Materials	19,147	(3,508)	15,639	12,174	3,465
Other Objects	6,178	2,340	8,518	6,602	1,916
Miscellaneous Expenditures	2,000	(783)	1,217	923,854	1,217
Total Undist. Expend. - Support Serv. - School Administration	950,770	47,601	998,371	923,854	74,517

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures Central Services					
Salaries	121,686	9,353	131,039	130,446	593
Salaries of Secretarial and Clerical Assistants	169,645	21,315	190,960	149,840	41,120
Purchased Technical Service	10,000	(4,603)	5,397	710	4,687
Other Purchased Services	12,500	(2,900)	9,600	5,888	3,712
Travel	1,600	174	1,774	1,421	353
Supplies and Materials	18,000	(189)	17,811	4,432	13,379
Other Objects	750		750		750
Miscellaneous Expenditures	3,750	(1,000)	2,750	2,550	200
Total Undistributed Expenditures Central Services	337,931	22,150	360,081	295,287	64,794
Undistributed Expenditures Admin Info Tech					
Salaries	86,090	1,785	87,875	81,290	6,585
Purchased Professional Services	7,000	620	7,620	5,584	2,036
Supplies and Materials	6,000	(3,510)	2,490	2,489	1
Total Undistributed Expenditures Admin Info Tech	99,090	(1,105)	97,985	89,363	8,622
Undist. Expend. - Required Maint. for School Facilities					
Purchased Technical Services	7,000	6,600	13,600	11,916	1,684
Cleaning, Repair and Maintenance Services	341,545	1,125	342,670	293,448	49,222
General Supplies	29,000	250	29,250	13,720	15,530
Other Objects	1,000		1,000	85	915
Total Undist. Expend. - Required Maint. for School Facilities	378,545	7,975	386,520	319,169	67,351
Undist. Expend. - Custodial Services					
Salaries	18,250	4,378	22,628	15,179	7,449
Salaries of Non-Instructional Aides	79,050	33,485	112,535	44,381	68,154
Purchased Professional and Technical Services	6,700	7,175	13,875	2,714	11,161
Cleaning, Repair and Maintenance Services	678,606	279	678,885	667,258	11,627
Other Purchased Property Services	53,372	(4,019)	49,353	40,607	8,746
Insurance	70,597		70,597	51,350	19,247
General Supplies	46,301	12,735	59,036	43,621	15,415
Energy (Electricity)	484,905		484,905	350,100	134,805
Energy (Natural Gas)	275,749	(6,514)	269,235	185,554	83,681
Other Objects	1,000		1,000	566	434
Total Undist. Expend. - Custodial Services	1,714,530	34,144	1,748,674	1,401,330	347,344
Undist. Expend. - Care & Upkeep of Grounds					
Purchased Professional and Technical Services	70,000	(3,000)	67,000	10,254	56,746
Cleaning, Repair and Maintenance Services		155	155		155
General Supplies	5,400	3,445	8,845	7,727	1,118
Total Undist. Expend. - Care & Upkeep of Grounds	75,400	600	76,000	18,136	57,864
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	14,175		14,175	130	14,045
Total Undist. Expend. - Security	14,175		14,175	130	14,045
Total Undist. Expend-Oper & Maint of Plant Services	2,182,650	42,719	2,225,369	1,738,765	486,604

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services					
Contracted Services (Between Home & School)-Vendors	1,170,150		1,170,150	1,012,322	157,828
Contract Services (Other than Between Home & School)-Vendors	15,820		15,820	9,386	6,434
Contracted Services (Between Home & School)-Joint Agreements	260,000		260,000	195,030	64,970
Contracted Services (Special Ed. Students)-Vendors	353,960		353,960	310,177	43,783
Contracted Services (Special Ed. Students)-ESCs & CTSA's	269,660	(1,902)	269,660	177,341	92,319
Miscellaneous Purchased Services - Transportation	6,000		4,098	3,975	123
Transportation Supplies	2,475	1,902	4,377	4,377	
Total Undist. Expend. - Student Transportation Services	2,078,065		2,078,065	1,712,608	365,457
UNALLOCATED BENEFITS					
Social Security Contributions	240,000	15,549	255,549	167,850	87,699
Other Retirement Contributions	140,000	82,515	222,515	222,515	
Unemployment Compensation	49,000	3,617	52,617	46,100	6,517
Workmen's Compensation	148,571	(35,000)	113,571	110,727	2,844
Health Benefits	2,670,201		2,670,201	2,224,646	445,555
Tuition Reimbursement	75,000	(10,682)	64,318	25,887	38,431
Other Employee Benefits	238,362	(10,000)	228,362	204,989	23,373
TOTAL UNALLOCATED BENEFITS	3,561,134	45,999	3,607,133	3,002,714	604,419
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF NCGI Premium (non-budgeted)				33,014	(33,014)
On-behalf TPAF Post-Retirement Medical (non-budgeted)				701,212	(701,212)
Reimbursed TPAF Social Security Contributions (non-budgeted)				723,041	(723,041)
TOTAL ON-BEHALF CONTRIBUTIONS				1,457,267	(1,457,267)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,561,134	45,999	3,607,133	4,459,981	(852,848)
TOTAL UNDISTRIBUTED EXPENDITURES	13,756,240	711,552	14,467,792	12,900,455	1,567,337
TOTAL GENERAL CURRENT EXPENSE	23,619,272	2,265,955	25,885,227	21,617,025	4,268,202

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Administrative Information Technology					
Regular Programs - Instruction:					
Grades 1-5		2,395	2,395		2,395
Grades 6-8		4,582	4,582	4,582	
Auditory Impairments		5,890	5,890	5,890	
Undist. Expend.-Instruction		5,414	33,584	33,584	1,830
Undist. Expend.-Admin Info Tech	30,000				
Undist. Expend.-Required Maintenance for School Facilities	30,000	18,281	48,281	44,056	4,225
Total Equipment					
Facilities Acquisition and Construction Services					
Legal Services		1,604	1,604	1,604	
Architectural/Engineering Services	33,000	22,540	55,540	34,737	20,803
Other Purchased Prof. and Tech. Services		16,725	16,725	16,725	
Construction Services	325,000	146,041	471,041	28,655	442,386
Other Objects		22,028	22,028	22,028	
Total Facilities Acquisition and Construction Services	358,000	208,938	566,938	87,024	479,914
TOTAL CAPITAL OUTLAY	388,000	227,219	615,219	131,080	484,139
TOTAL EXPENDITURES	24,007,272	2,493,174	26,500,446	21,748,105	4,752,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,634,072)	(2,493,174)	(5,127,246)	1,654,542	6,781,788
Other Financing Sources/(Uses):					
Operating Transfer Out:					
Transfer to Capital Project Fund	(1,718,765)		(1,718,765)	(1,718,765)	
Transfer to Charter Schools	(15,020)	(7,152)	(22,172)	(16,936)	(5,236)
Total Other Financing Sources/(Uses):	(1,733,785)	(7,152)	(1,740,937)	(1,735,701)	(5,236)

Tinton Falls School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance, July 1	9,435,314		9,435,314	9,435,314	6,787,024
Fund Balance, June 30	5,067,457	(2,500,326)	2,567,131	9,354,155	6,787,024
Reconciliation:					
Adjustment for prior years encumbrances				(2,500,326)	
Withdrawal from Cap Reserve - Local Share	(1,718,765)	(2,500,326)	(1,718,765)	(1,718,765)	67,351
Transfer to Capital Reserve	(266,595)		(266,595)	(199,244)	(360,000)
Transfer to Maintenance Reserve				(840,000)	(840,000)
Budgeted Fund Balances	(2,382,497)		(2,382,497)	5,537,176	7,919,673
Total	(4,367,857)	(2,500,326)	(6,868,183)	(81,159)	6,787,024

Reconciliation:

Restricted Fund Balance:

Capital Reserve	568,374
Maintenance Reserve	907,355
Emergency Reserve	250,000
Excess Surplus - Designated for Subsequent Year's Expenditures	1,218,276
Excess Surplus - Current Year	2,658,008

Committed Fund Balance:

Year-End Encumbrances	2,277,928
-----------------------	-----------

Assigned Fund Balance:

Designated for Subsequent Year's Expenditures	485,918
Unassigned Fund Balance	988,296
Total	9,354,155

Reconciliation to Governmental Funds Statement (GAAP):

Last State Aid Payment not recognized on GAAP basis	(284,822)
Fund Balance per Governmental Funds (GAAP)	9,069,333

**Tinton Falls School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		83,319	83,319	83,319	
State Sources	45,000	47,866	92,866	92,866	
Federal Sources	490,000	230,097	720,097	720,097	
Total Revenues	535,000	361,282	896,282	896,282	
EXPENDITURES:					
Instruction:					
Salaries of Teachers	490,000	(343,470)	146,530	146,530	
Salaries of Other Professional Staff		11,617	11,617	11,617	
Other Salaries for Instruction		56,875	56,875	56,875	
Purchased Professional - Educational Services	25,000	22,770	22,770	22,770	
Purchased Professional and Technical Services		164,714	189,714	189,714	
Other Purchased Services (400-500 series)		122,654	122,654	122,654	
General Supplies		42,077	42,077	42,077	
Textbooks	20,000	10,466	30,466	30,466	
Other Objects		2,604	2,604	2,604	
Total Instruction	535,000	90,307	625,307	625,307	
Support Services:					
Other Salaries		8,208	8,208	8,208	
Personal Services - Employee Benefits		74,318	74,318	74,318	
Purchased Professional & Technical Services		38,297	38,297	38,297	
Purchased Professional - Educational Services		57,801	57,801	57,801	
Purchased Technical Services		1,100	1,100	1,100	
Other Purchased Services (400-500 series)		7,674	7,674	7,674	
Supplies & Materials		55,550	55,550	55,550	
Other Objects		17,858	17,858	17,858	
Total Support Services		260,806	260,806	260,806	
Facilities Acquisition and Const. Serv.:					
Instructional Equipment		10,169	10,169	10,169	
Total Facilities Acquisition and Const. Serv.		10,169	10,169	10,169	
Total Expenditures	535,000	361,282	896,282	896,282	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

Tinton Falls School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Year Ended June 30, 2011

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	23,402,647	896,282
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		NONE	NONE
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		415,583	
State aid payment recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(284,822)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	23,533,408	896,282
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	21,748,105	896,282
Differences - budget to GAAP		NONE	NONE
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for <i>financial reporting</i> purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	21,748,105	896,282

SPECIAL REVENUE FUND

Tinton Falls School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Title I ARRA 2009-10	Title I, Part A 2010-11	Title I, Part A Carryover	Title II, Part A 2010-11	Title II, Part A Carryover	Title II, Part D 2010-11	Title II, Part D Carryover	Title III 2010-11	Totals 2011
REVENUES									
Local Sources	83,319								83,319
State Sources	92,866							8,334	92,866
Federal Sources	556,759	104,768	13,294	16,538	6,855	11,553	488		720,097
Total Revenues	732,944	104,768	13,294	16,538	6,855	11,553	488	8,334	896,282
EXPENDITURES:									
Instruction:									
Salaries of Teachers	66,770								66,770
Salaries of Other Professional Staff	11,617	72,235			2,640			4,885	146,530
Other Salaries for Instruction	56,875								11,617
Purchased Professional - Educational Services	22,770								56,875
Purchased Professional and Technical Services	154,262	22,226				11,388	330		22,770
Other Purchased Services (400-500 series)	122,654								189,714
General Supplies	29,083			9,545				3,449	122,654
Textbooks	30,466								42,077
Other Objects	2,604								30,466
Total Instruction	497,101	94,461		9,545	2,640	11,388	330	8,334	625,307
Support Services:									
Other Salaries	8,208								8,208
Personal Services - Employee Benefits	55,495	10,307		8,277	239	165	158		74,318
Purchased Professional & Technical Services	33,538			4,436					38,297
Purchased Professional - Educational Services	57,801								57,801
Purchased Technical Services	1,100								1,100
Other Purchased Services (400-500 series)	51,830			3,854	3,820				7,674
Supplies & Materials	17,702			3,139	156				55,550
Other Objects									17,858
Total Support Services	225,674	10,307		6,993	4,215	165	158		260,506
Facilities Acquisition and Const. Serv.:									
Instructional Equipment	10,169								10,169
Total Facilities Acquisition and Const. Serv.	10,169								10,169
Total Expenditures	732,944	104,768	13,294	16,538	6,855	11,553	488	8,334	896,282
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)									

Tinton Falls School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1b)	Title III Carryover	IDEA Part B, Basic 2010-11	IDEA Part B, Basic Carryover	IDEA Basic, ARRA 2009-10	IDEA Preschool 2010-11	Teacher Excellence Award	Total Carried Forward
REVENUES								
Local Sources	83,319	-	-	-	-	-	-	83,319
State Sources	90,262	-	-	-	-	-	2,604	92,866
Federal Sources	1,796	4,110	144,299	205,142	201,412	-	-	556,759
Total Revenues	175,377	4,110	144,299	205,142	201,412	-	2,604	732,944
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-	3,494	-	63,276	-	-	-	66,770
Salaries of Other Professional Staff	-	-	-	11,617	-	-	-	11,617
Other Salaries for Instruction	-	-	-	56,875	-	-	-	56,875
Purchased Professional - Educational Services	2,616	-	-	20,154	-	-	-	22,770
Purchased Professional and Technical Services	305	-	129,873	24,984	-	-	-	154,262
Other Purchased Services (400-500 series)	-	-	-	4,159	118,495	-	-	122,654
General Supplies	16,758	-	-	2,416	9,909	-	-	29,083
Textbooks	30,466	-	-	-	-	-	2,604	30,466
Other Objects	-	-	-	-	-	-	-	2,604
Total Instruction	50,145	3,494	129,873	182,581	128,404	-	2,604	497,101
Support services:								
Other Salaries	-	-	-	8,208	-	-	-	8,208
Personal Services - Employee Benefits	26	616	-	10,708	44,145	-	-	55,495
Purchased Professional & Technical Services	450	-	-	-	18,662	-	-	33,538
Purchased Professional - Educational Services	57,801	-	14,426	-	-	-	-	57,801
Purchased Technical Services	1,100	-	-	-	-	-	-	1,100
Other Purchased Services (400-500 series)	-	-	-	3,645	32	-	-	51,830
Supplies & Materials	48,153	-	-	-	-	-	-	48,153
Other Objects	17,702	-	-	-	-	-	-	17,702
Total Support Services	125,232	616	14,426	22,561	62,839	-	-	225,674
Facilities Acquisition and Const. Serv.:								
Instructional Equipment	-	-	-	-	10,169	-	-	10,169
Total Facilities Acquisition and Const. Serv.	-	-	-	-	10,169	-	-	10,169
Total Expenditures	175,377	4,110	144,299	205,142	201,412	-	2,604	732,944
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Tinton Falls School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

Ch. 193 - Handicapped Services

	IDEA Preschool Carryover	IDEA Preschool, ARRA 2009-10	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Annual Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Character Education	Local Sources	Total Carried Forward
REVENUES										
Local Sources		450	30,466	35,140	16,578	4,694	1,389	1,995	83,319	83,319
State Sources	1,346									90,262
Federal Sources										1,796
Total Revenues	1,346	450	30,466	35,140	16,578	4,694	1,389	1,995	83,319	175,377
EXPENDITURES:										
Instruction:										
Salaries of Teachers										-
Salaries of Other Professional Staff										-
Other Salaries for Instruction										-
Purchased Professional - Educational Services	1,015								1,601	2,616
Purchased Professional and Technical Services	305									305
Other Purchased Services (400-500 series)								895	15,863	16,758
General Supplies			30,466							30,466
Textbooks										
Other Objects										
Total Instruction	1,320	-	30,466	-	-	-	-	895	17,464	50,145
Support Services:										
Other Salaries										26
Personal Services - Employee Benefits	26									450
Purchased Professional & Technical Services		450		35,140	16,578	4,694	1,389	1,100		57,801
Purchased Professional - Educational Services										1,100
Purchased Technical Services										
Other Purchased Services (400-500 series)									48,153	48,153
Supplies & Materials									17,702	17,702
Other Objects										
Total Support Services	26	450	-	35,140	16,578	4,694	1,389	1,100	65,855	125,232
Facilities Acquisition and Const. Serv.:										
Instructional Equipment										
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,346	450	30,466	35,140	16,578	4,694	1,389	1,995	83,319	175,377
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-

CAPITAL PROJECTS FUND

Tinton Falls School District
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

Revenues and Other Financing

Sources

State Sources - SCC Grant	\$	910,740
Bond proceeds and transfers		4,768,000
Interest on Investments		2,913
Transfer from capital reserve		1,718,765
Transfer from capital outlay		-
Total revenues		7,400,418

Expenditures and Other Financing

Uses

Purchased professional and technical services		323,313
Land and Improvements		-
Construction Services		1,978,540
Equipment Purchases		-
Total expenditures		2,301,853
Excess (deficiency) of revenues over (under) expenditures		5,098,565
Transfers out		(207,913)
Fund balance - beginning		1,405,888
Fund balance - ending	\$	6,296,540

**Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Addition to Middle School
For the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 1,596,306	\$ -	\$ 1,596,306	\$ 1,596,306
Bond proceeds and transfers	4,463,000	-	4,463,000	4,463,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	6,059,306	-	6,059,306	6,059,306
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	4,915,472	-	4,915,472	6,059,306
Equipment purchases	-	-	-	-
Total expenditures	4,915,472	-	4,915,472	6,059,306
Transferred to Debt Service	195,000	205,000	400,000	
Excess (deficiency) of revenues over (under) expenditures	\$ 948,834	\$ (205,000)	\$ 743,834	\$ -

Additional project information:

Project Number	SP 20221
Grant Date	12/11/2001
Bond Authorization Date	3/15/2002
Bonds Authorized	\$4,463,000
Bonds Issued	\$4,463,000
Original Authorized Cost	\$6,060,000
Revised Authorized Cost	\$6,060,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	100%
Original target completion date	5/31/2006
Revised target completion date	5/31/2007

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Middle School Roof Replacement
For the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 137,367	\$ -	\$ 137,367	\$ 137,367
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	266,000	-	266,000	266,000
Total revenues	<u>403,367</u>	<u>-</u>	<u>403,367</u>	<u>403,367</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	393,158	-	393,158	403,367
Equipment purchases	-	-	-	-
Total expenditures	<u>393,158</u>	<u>-</u>	<u>393,158</u>	<u>403,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 10,209</u>	<u>\$ -</u>	<u>\$ 10,209</u>	<u>\$ -</u>

Additional project information:

Project Number	5185-070-04-2000
Grant Date	7/19/2004
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$343,418
Revised Authorized Cost	\$403,367
Percentage Increase over Original Authorized Cost	17.46%
Percentage completion	97%
Original target completion date	8/15/2005
Revised target completion date	8/15/2005

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Mahala F. Atchinson Roof Project
For the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 299,943	\$ -	\$ 299,943	\$ 299,943
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	450,000	-	450,000	450,000
Total revenues	<u>749,943</u>	<u>-</u>	<u>749,943</u>	<u>749,943</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	48,092	-	48,092	48,092
Land and Improvements	-	-	-	-
Construction Services	500,000	-	500,000	701,851
Equipment purchases	-	-	-	-
Total expenditures	<u>548,092</u>	<u>-</u>	<u>548,092</u>	<u>749,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 201,851</u>	<u>\$ -</u>	<u>\$ 201,851</u>	<u>\$ -</u>

Additional project information:

Project Number	5185-030-05-1000
Grant Date	2/2/2006
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$749,858
Revised Authorized Cost	\$749,943
Percentage Increase over Original Authorized Cost	0.01%
Percentage completion	100%
Original target completion date	6/30/2006
Revised target completion date	9/15/2006

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Mahala F. Atchinson School Fire Alarm
For the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 38,093	\$ -	\$ 38,093	\$ 38,093
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	85,033	-	85,033	85,033
Transfer from capital outlay	-	-	-	-
Total revenues	123,126	-	123,126	123,126
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	119,306	-	119,306	123,126
Equipment purchases	-	-	-	-
Total expenditures	119,306	-	119,306	123,126
Excess (deficiency) of revenues over (under) expenditures	\$ 3,820	\$ -	\$ 3,820	\$ -

Additional project information:

Project Number	5185-030-04-1000
Grant Date	4/28/2005
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$95,233
Revised Authorized Cost	\$123,126
Percentage Increase over Original Authorized Cost	29.29%
Percentage completion	100%
Original target completion date	6/30/2006
Revised target completion date	12/31/2006

**Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Swimming River School Fire Alarm
For the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 33,563	\$ -	\$ 33,563	\$ 33,563
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	78,228	-	78,228	78,228
Transfer from capital outlay	-	-	-	-
Total revenues	111,791	-	111,791	111,791
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	111,791	-	111,791	111,791
Equipment purchases	-	-	-	-
Total expenditures	111,791	-	111,791	111,791
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

Additional project information:

Project Number	5185-050-04-1000
Grant Date	11/18/2005
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$83,908
Revised Authorized Cost	\$111,791
Percentage Increase over Original Authorized Cost	33.23%
Percentage completion	100%
Original target completion date	6/30/2006
Revised target completion date	12/31/2006

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Tinton Falls Middle School Fire Alarm
For the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 41,922	\$ -	\$ 41,922	\$ 41,922
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	41,922	-	41,922	41,922
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	-	-	-	41,922
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	41,922
Excess (deficiency) of revenues over (under) expenditures	\$ 41,922	\$ -	\$ 41,922	\$ -

Additional project information:

Project Number	5185-070-05-0BAV
Grant Date	
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$41,922
Revised Authorized Cost	\$41,922
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	0.00%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Swimming River School Roof Projects
For the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	338,038	-	338,038	338,038
Transfer from capital outlay	-	-	-	-
Total revenues	<u>338,038</u>	<u>-</u>	<u>338,038</u>	<u>338,038</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	138,787	-	138,787	338,038
Equipment purchases	-	-	-	-
Total expenditures	<u>138,787</u>	<u>-</u>	<u>138,787</u>	<u>338,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 199,251</u>	<u>\$ -</u>	<u>\$ 199,251</u>	<u>\$ -</u>

Additional project information:

Project Number	NA
Grant Date	NA
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$338,038
Revised Authorized Cost	\$338,038
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	41.06%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements to Mahala F. Atchison Elementary School
For the Year Ended June 30, 2011

	<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	\$	\$ 464,883	\$ 464,883	\$ 464,883
Bond proceeds and transfers	-	1,627,000	1,627,000	1,627,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	777,165	777,165	777,165
Transfer from capital outlay	-	-	-	-
Total revenues	-	<u>2,869,048</u>	<u>2,869,048</u>	<u>2,869,048</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	130,183	130,183	130,183
Land and Improvements	-	-	-	-
Construction Services	-	1,032,024	1,032,024	1,032,024
Equipment purchases	-	-	-	-
Total expenditures	-	<u>1,162,207</u>	<u>1,162,207</u>	<u>1,162,207</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ <u>1,706,841</u>	\$ <u>1,706,841</u>	\$ <u>1,706,841</u>

Additional project information:

Project Number	5185-030-10-1001
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$1,627,635
Bonds Issued	\$1,627,000
Original Authorized Cost	\$4,008,000
Revised Authorized Cost	\$4,008,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	40.51%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements to Swimming River Elementary School
For the Year Ended June 30, 2011

	<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	\$	\$ 290,020	\$ 290,020	\$ 290,020
Bond proceeds and transfers	-	1,336,480	1,336,480	1,336,480
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	773,300	773,300	773,300
Transfer from capital outlay	-	-	-	-
Total revenues	-	<u>2,399,800</u>	<u>2,399,800</u>	<u>2,399,800</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	90,291	90,291	90,291
Land and Improvements	-	-	-	-
Construction Services	-	634,759	634,759	634,759
Equipment purchases	-	-	-	-
Total expenditures	-	<u>725,050</u>	<u>725,050</u>	<u>725,050</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ <u>1,674,750</u>	\$ <u>1,674,750</u>	\$ <u>1,674,750</u>

Additional project information:

Project Number	5185-050-10-1002
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$1,336,780
Bonds Issued	\$1,336,480
Original Authorized Cost	\$3,516,800
Revised Authorized Cost	\$3,516,800
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	30.21%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements to Swimming River Elementary School
For the Year Ended June 30, 2011

	<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	\$	\$ 106,737	\$ 106,737	\$ 106,737
Bond proceeds and transfers	-	541,320	541,320	541,320
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>648,057</u>	<u>648,057</u>	<u>648,057</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	50,054	50,054	50,054
Land and Improvements	-	-	-	-
Construction Services	-	216,790	216,790	216,790
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>266,844</u>	<u>266,844</u>	<u>266,844</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>-</u>	\$ <u>381,213</u>	\$ <u>381,213</u>	\$ <u>381,213</u>

Additional project information:

Project Number	5185-050-10-1005
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$541,320
Bonds Issued	\$541,320
Original Authorized Cost	\$902,200
Revised Authorized Cost	\$902,200
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	41.18%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements to Tinton Falls Middle School
For the Year Ended June 30, 2011

	<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	\$ -	\$ 49,100	\$ 49,100	\$ 49,100
Bond proceeds and transfers	-	1,061,200	1,061,200	1,061,200
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	30,800	30,800	30,800
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>1,141,100</u>	<u>1,141,100</u>	<u>1,141,100</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	39,100	39,100	39,100
Land and Improvements	-	-	-	-
Construction Services	-	83,650	83,650	83,650
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>122,750</u>	<u>122,750</u>	<u>122,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,018,350</u>	<u>\$ 1,018,350</u>	<u>\$ 1,018,350</u>

Additional project information:

Project Number	5185-070-10-1003
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$1,061,200
Bonds Issued	\$1,061,200
Original Authorized Cost	\$1,820,000
Revised Authorized Cost	\$1,820,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	10.76%
Original target completion date	N/A
Revised target completion date	6/30/2013

Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements to Administration Building
For the Year Ended June 30, 2011

	<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	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	202,000	202,000	202,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	137,500	137,500	137,500
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>339,500</u>	<u>339,500</u>	<u>339,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	13,685	13,685	13,685
Land and Improvements	-	-	-	-
Construction Services	-	11,317	11,317	11,317
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>25,002</u>	<u>25,002</u>	<u>25,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 314,498</u>	<u>\$ 314,498</u>	<u>\$ 314,498</u>

Additional project information:

Project Number	5185-070-10-1003
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$202,000
Bonds Issued	\$202,000
Original Authorized Cost	\$339,500
Revised Authorized Cost	\$339,500
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	7.36%
Original target completion date	N/A
Revised target completion date	6/30/2013

PROPRIETARY FUNDS

Tinton Falls School District
Combining Statement of Net Assets
Enterprise Funds
June 30, 2011

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	322,347	278,303	325,187	925,837
Accounts Receivable:				
State	224			224
Federal	4,760			4,760
Inventory	9,363			9,363
Total Current Assets	<u>336,694</u>	<u>278,303</u>	<u>325,187</u>	<u>940,184</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	20,878			20,878
Less Accumulated Depreciation	<u>(20,878)</u>			<u>(20,878)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>336,694</u>	<u>278,303</u>	<u>325,187</u>	<u>940,184</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	213,281	100		213,381
Deferred Revenue	6,824		30,575	37,399
Total Current Liabilities	<u>220,105</u>	<u>100</u>	<u>30,575</u>	<u>250,780</u>
Total Liabilities	<u>220,105</u>	<u>100</u>	<u>30,575</u>	<u>250,780</u>
NET ASSETS				
Invested in Capital Assets Net of Related Debt	-			-
Unrestricted	116,589	278,203	294,612	689,404
Total Net Assets	<u>116,589</u>	<u>278,203</u>	<u>294,612</u>	<u>689,404</u>

Tinton Falls School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended June 30, 2011

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	193,139			193,139
Daily Sales - Non-Reimbursable Programs	149,607			149,607
Miscellaneous	3,262	182,109	158,418	343,789
Total Operating Revenues	<u>346,008</u>	<u>182,109</u>	<u>158,418</u>	<u>686,535</u>
Operating Expenses:				
Cost of Sales	206,132			206,132
Salaries	172,689	139,658	73,298	385,645
Supplies and Materials	36,762	1,654	749	39,165
Employee Benefits	18,983	24,836	13,048	56,867
Miscellaneous Expense	10,240	1,680	1,985	13,905
Total Operating Expenses	<u>444,806</u>	<u>167,828</u>	<u>89,080</u>	<u>701,714</u>
Operating Income (Loss)	(98,798)	14,281	69,338	(15,179)
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,643			4,643
Federal Sources:				
National School Lunch Program	101,942			101,942
Food Distribution Program	17,443			17,443
Total Non-operating Revenues (Expenses)	<u>124,028</u>	<u>-</u>	<u>-</u>	<u>124,028</u>
Income (Loss) Before Contributions & Transfers	25,230	14,281	69,338	108,849
Transfers In (Out)				
Change in Net Assets	<u>25,230</u>	<u>14,281</u>	<u>69,338</u>	<u>108,849</u>
Total Net Assets - Beginning	<u>91,359</u>	<u>263,922</u>	<u>225,274</u>	<u>580,555</u>
Total Net Assets—Ending	<u>116,589</u>	<u>278,203</u>	<u>294,612</u>	<u>689,404</u>

Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2011

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	352,832	182,109	158,418	693,359
Payments to employees		(139,658)	(73,298)	(212,956)
Payments for Miscellaneous Expenses	(65,985)	(29,606)	(18,477)	(114,068)
Payments to Food Service Management Company	(178,712)			(178,712)
Net Cash Provided by (Used for) Operating Activities	<u>108,135</u>	<u>12,845</u>	<u>66,643</u>	<u>187,623</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	4,915			4,915
Federal Sources	143,949			143,949
Local Sources				-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>148,864</u>	<u>-</u>	<u>-</u>	<u>148,864</u>
Net Increase (Decrease) in Cash and Cash Equivalents	256,999	12,845	66,643	336,487
Balances—Beginning of Year	65,348	265,458	258,544	589,350
Balances—End of Year	<u>322,347</u>	<u>278,303</u>	<u>325,187</u>	<u>925,837</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided				
(Used) by Operating Activities:				
Operating Income (Loss)	(98,798)	14,281	69,338	(15,179)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:				
Increase (Decrease) in Deferred Revenue	6,824			6,824
(Increase) Decrease in Inventory	(3,327)			(3,327)
Increase (Decrease) in Accounts Payable	203,436	(1,436)	(2,695)	199,305
Total Adjustments	<u>206,933</u>	<u>(1,436)</u>	<u>(2,695)</u>	<u>202,802</u>
Net Cash Provided by (Used for) Operating Activities	<u>108,135</u>	<u>12,845</u>	<u>66,643</u>	<u>187,623</u>

FIDUCIARY FUND

Tinton Falls School District
 Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2011

	Agency Fund
ASSETS	
Cash and cash equivalents	75,396
Total assets	75,396
 LIABILITIES	
Payable to student groups	70,633
Payroll deductions and withholdings	4,763
Total liabilities	75,396
 NET ASSETS	 -

**Tinton Falls School District
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011**

N/A

**Tinton Falls School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Accounts Payable June 30, 2011</u>	<u>Balance June 30, 2011</u>
ELEMENTARY SCHOOLS:					
Atchinson	11,726	5,844	1,874		15,696
Swimming River	4,590	1,977			6,567
Tinton Falls	54,050	18,736	24,416		48,370
Tinton Falls Athletic Fund	54	9,558	9,612		-
	<u>70,420</u>	<u>36,115</u>	<u>35,902</u>	<u>-</u>	<u>70,633</u>

**Tinton Falls School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2011</u>
Net Payroll	3	8,088,694	8,088,691	6
Payroll Deductions and Withholdings	17	5,904,350	5,899,610	4,757
	<u>20</u>	<u>13,993,044</u>	<u>13,988,301</u>	<u>4,763</u>

LONG-TERM DEBT

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2011**

ISSUE	Date of Issue	Amount of Issue	Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
School Refunding Bonds of 2004	7/15/2004	\$ 13,295,000	10/15/2011	1,115,000	5.000%				
			10/15/2012	1,155,000	5.000%				
			10/15/2013	1,215,000	5.000%				
			10/15/2014	1,265,000	5.000%				
			10/15/2015	1,285,000	5.000%				
			10/15/2016	870,000	5.000%				
						7,970,000		1,065,000	6,905,000
School Bonds of 2002	3/15/2002	\$ 4,463,000	3/15/2012	215,000	4.600%				
			3/15/2013	225,000	4.600%				
			3/15/2014	235,000	4.600%				
			3/15/2015	245,000	4.600%				
			3/15/2016	255,000	4.750%				
			3/15/2017	265,000	4.750%				
			3/15/2018	280,000	4.800%				
			3/15/2019	290,000	5.000%				
			3/15/2020	300,000	5.000%				
			3/15/2021	300,000	5.000%				
			3/15/2022	298,000	5.000%				
						3,113,000		205,000	2,908,000

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2011**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
School Bonds of 2011	2/1/2011	\$ 4,768,000	3/15/2012	165,000.00					
			3/15/2013	170,000.00					
			3/15/2014	175,000.00					
			3/15/2015	185,000.00					
			3/15/2016	190,000.00					
			3/15/2017	195,000.00					
			3/15/2018	205,000.00					
			3/15/2019	210,000.00					
			3/15/2020	220,000.00					
			3/15/2021	225,000.00					
			3/15/2022	240,000.00					
			3/15/2023	245,000.00					
			3/15/2024	255,000.00					
			3/15/2025	265,000.00					
			3/15/2026	275,000.00					
			3/15/2027	285,000.00					
			3/15/2028	300,000.00					
			3/15/2029	310,000.00					
			3/15/2030	325,000.00					
			3/15/2031	328,000.00					
							4,768,000		4,768,000
						11,083,000	4,768,000	1,270,000	14,581,000

Exhibit I-2

Tinton Falls School District
 General Long Term Debt Account Group
 Statement of Obligations under Capital Leases
 June 30, 2011

SERIES	Amount Outstanding on July 1, 2010	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2011
Xerox Copiers	128,435		42,955	85,480
TOTAL	128,435	-	42,955	85,480

**Tinton Falls School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,535,406	-	1,535,406	1,535,406	-
State Sources:					
Debt Service Aid Type II	50,124	-	50,124	50,124	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenues	1,585,530	-	1,585,530	1,585,530	-
EXPENDITURES:					
Regular Debt Service:					
Interest	521,165	-	521,165	521,165	-
Redemption of Principal	1,270,900	-	1,270,900	1,270,000	(900)
Total Regular Debt Service	1,792,065	-	1,792,065	1,791,165	(900)
Total expenditures	1,792,065	-	1,792,065	1,791,165	(900)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,535)	-	(206,535)	(205,635)	(900)
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund	205,000	-	205,000	205,000	
Interest Earned in Capital Projects Fund	-	-	-	2,913	2,913
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,535)	-	(1,535)	2,278	2,013
Fund Balance, July 1	1,681	-	1,681	1,681	
Fund Balance, June 30	146	-	146	3,959	2,013

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district'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 district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district 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 (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	3,430,367	4,048,954	4,517,972	5,938,317	6,894,281	7,547,803	8,362,663	9,983,688	8,045,100
Restricted	2,922,492	5,182,126	6,945,594	8,532,105	9,972,636	11,007,314	10,619,042	9,680,083	14,666,358
Unrestricted	1,357,971	1,196,692	866,042	370,562	10,840	107,311	560,969	110,138	(39,857)
Total Governmental Activities Net Assets	7,710,830	10,427,772	12,329,608	14,840,984	16,877,757	18,662,428	19,542,674	19,773,909	22,671,601
Business-type Activities									
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	-	-	-	-
Restricted	162,092	116,775	159,516	243,527	322,198	390,501	474,656	580,555	689,404
Unrestricted	-	-	-	-	-	-	-	-	-
Total Business-type Activities Net Assets	162,092	116,775	159,516	243,527	322,198	390,501	474,656	580,555	689,404
District-wide									
Invested in Capital Assets, Net of Related Debt	3,430,367	4,048,954	4,517,972	5,938,317	6,894,281	7,547,803	8,362,663	9,983,688	8,045,100
Restricted	2,922,492	5,182,126	6,945,594	8,532,105	9,972,636	11,007,314	10,619,042	9,680,083	14,666,358
Unrestricted	1,520,063	1,313,467	1,025,558	614,089	333,038	497,812	1,035,625	690,693	649,547
Total District Net Assets	7,872,922	10,544,547	12,489,124	15,084,511	17,289,955	19,052,929	20,017,330	20,354,464	23,361,005

Note: This schedule only covers the years subsequent to the implementation of GASB #34

Source: District Audits

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending - June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities:									
Instruction:									
Regular	6,398,115	5,836,589	7,026,123	6,901,858	7,138,074	7,314,967	7,663,566	7,438,363	7,155,788
Special Education	1,785,801	1,689,933	1,750,651	1,952,497	2,131,103	2,362,441	2,462,588	2,059,213	1,869,541
Other Special Instruction	274,385	231,557	262,310	245,636	317,976	379,837	374,905	317,664	279,564
Other Instruction	85,876	95,020	92,163	97,548	104,979	113,457	111,262	124,842	112,936
Support Services:									
Tuition	307,138	431,568	1,018,136	932,772	728,272	666,895	554,227	544,104	538,468
Student & Instruction Related Services	2,338,712	2,428,106	2,242,653	2,275,081	2,442,347	2,648,756	2,888,643	2,905,887	2,762,055
General Administrative Services	580,284	422,756	615,421	608,983	605,198	617,402	589,948	582,216	634,441
School Administrative Services	1,118,425	987,730	989,271	795,663	799,893	822,457	887,085	908,499	923,654
Central Services & Admin. Info. Technology	1,538,835	1,529,574	1,710,736	296,097	269,227	329,273	326,551	389,127	384,650
Plant Operations and Maintenance	1,702,868	1,724,329	1,888,887	1,709,152	1,921,887	1,936,764	1,985,540	1,843,435	1,745,891
Pupil Transportation	217,355	239,029	19,711	1,698,862	1,723,554	1,845,817	1,929,737	1,853,934	1,712,608
Business and Other Support Services	3,200,241	3,291,143	3,455,752	3,842,717	4,564,022	4,700,705	4,352,444	4,465,189	4,517,516
Unallocated Benefits	4,579		19,711	96,910		194,514		45,688	10,169
Capital outlay-undepreciable			1,171,587	864,622	729,938	683,791	628,340	568,946	569,882
Interest on Long-term Debt	1,294,788	1,055,219	611,568	634,267	688,281	705,673	725,378	779,482	813,818
Unallocated Depreciation	527,552	597,868	648,491						
Total Governmental Activities Expenses	21,375,054	20,548,421	23,503,460	22,952,665	24,164,751	25,326,749	25,480,214	24,826,589	24,031,181
Business-type Activities:									
Food Service	430,420	424,714	443,041	462,949	451,519	457,132	466,979	457,353	444,806
Time+	215,996	215,114	161,454	180,683	181,478	159,006	155,410	151,532	167,828
Kindergarten Enrichment Program				88,498	83,920	95,545	104,650	94,042	89,080
Total Business-type Activities Expenses	646,416	639,828	604,495	732,130	716,917	711,683	727,039	702,927	701,714
Total District Expenses	22,021,470	21,188,249	24,107,955	23,684,795	24,881,668	26,038,432	26,207,253	25,529,516	24,732,895
Program Revenues									
Governmental Activities:									
Operating Grants and Contributions	1,749,239	1,632,998	1,756,665	1,816,327	1,758,617	1,890,794	1,508,265	1,459,399	2,691,591
Total Governmental Activities Program Revenues	1,749,239	1,632,998	1,756,665	1,816,327	1,758,617	1,890,794	1,508,265	1,459,399	2,691,591
Business-type Activities:									
Charges for Services:									
Food Service	300,520	299,837	307,769	366,895	365,812	362,350	373,031	363,976	346,008
Operating Grants and Contributions	116,215	124,894	116,315	108,083	95,513	97,248	105,729	114,424	124,028
Kindergarten Enrichment				117,263	131,349	132,520	154,829	155,968	158,418
Time+	244,609	194,965	206,818	205,819	199,119	181,697	174,326	174,458	182,109
Total Business-type Activities Program Revenues	661,344	619,696	630,902	798,060	791,793	773,815	807,915	808,826	810,563
Total District Program Revenues	2,410,583	2,252,694	2,387,567	2,614,387	2,550,410	2,664,609	2,316,180	2,268,225	3,502,154

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue									
Governmental Activities	(19,625,815)	(18,915,423)	(21,746,795)	(21,136,338)	(22,406,134)	(23,435,955)	(23,971,949)	(23,367,190)	(21,339,590)
Business-type Activities	14,928	(20,132)	26,407	65,930	74,876	62,132	80,876	105,899	108,849
Total District-wide Net Expense	<u>(19,610,887)</u>	<u>(18,935,555)</u>	<u>(21,720,388)</u>	<u>(21,070,408)</u>	<u>(22,331,258)</u>	<u>(23,373,823)</u>	<u>(23,891,073)</u>	<u>(23,261,291)</u>	<u>(21,230,741)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes Levied for General Purposes	13,549,951	14,324,771	16,421,264	16,172,448	16,576,450	17,282,133	17,580,444	17,680,228	18,387,437
Taxes Levied for Debt Service	2,103,480	2,037,798	1,891,837	1,910,667	1,745,469	1,781,871	1,723,472	1,527,327	1,535,406
Unrestricted Federal and State Aid	4,335,078	4,768,963	4,876,823	5,128,948	5,330,029	5,563,284	5,146,911	4,134,280	4,201,864
Tuition Received	101,132	74,146	57,611	108,374	167,380	134,678	100,582	136,707	34,161
Interest on Investments	102,035	44,466	146,666	314,282	589,576	430,984	130,048	39,121	26,928
Miscellaneous Income	109,994	386,214	390,764	31,076	40,379	111,742	81,683	65,459	51,486
Loss on refunding of long-term debt			(120,000)						
Capital Asset Adjustment					(18,306)	(167,895)			
Gain / (Loss) on Disposal of Assets	(8,500)	(3,993)	(16,334)	(18,081)	(3,795)	(6,171)	(16,977)		15,303
Transfers									
Total Governmental Activities	<u>20,293,170</u>	<u>21,632,365</u>	<u>23,648,631</u>	<u>23,647,714</u>	<u>24,427,182</u>	<u>25,130,626</u>	<u>24,852,195</u>	<u>23,588,425</u>	<u>24,237,282</u>
Business-type Activities:									
Transfers	8,500		16,334	18,081	3,795	6,171	3,279		
Total Business-type Activities	<u>8,500</u>	<u>-</u>	<u>16,334</u>	<u>18,081</u>	<u>3,795</u>	<u>6,171</u>	<u>3,279</u>	<u>-</u>	<u>-</u>
Total District-wide	<u>20,301,670</u>	<u>21,632,365</u>	<u>23,664,965</u>	<u>23,665,795</u>	<u>24,430,977</u>	<u>25,136,797</u>	<u>24,855,474</u>	<u>23,588,425</u>	<u>24,237,282</u>
Change in Net Assets									
Governmental Activities	667,355	2,716,942	1,901,836	2,511,376	2,021,048	1,694,671	880,246	231,235	2,897,692
Business-type Activities	23,428	(20,132)	42,741	84,011	78,671	68,303	84,155	105,899	108,849
Total District	<u>690,783</u>	<u>2,696,810</u>	<u>1,944,577</u>	<u>2,595,387</u>	<u>2,099,719</u>	<u>1,762,974</u>	<u>964,401</u>	<u>337,134</u>	<u>3,006,541</u>

Note: This schedule only covers the year subsequent to the implementation of GASB #34

Source: District Audits

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
Fund Balances Governmental Funds
 Last Nine Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	1,102,193	3,435,639	5,409,169	6,727,809	8,448,729	9,518,854	9,205,113	8,543,862	
Unreserved	1,878,542	1,638,188	1,228,997	863,981	636,579	754,923	1,209,313	475,869	
Restricted									5,602,013
Committed									2,277,928
Assigned									485,918
Unassigned									703,474
Total General fund	2,980,735	5,074,827	6,638,166	7,591,790	9,085,308	10,273,777	10,414,426	9,019,731	9,069,333
All Other Governmental Funds									
Reserved	146,725	293,836	30,797	196,171	88,650				
Unreserved, Reported in:									
Special Revenue Fund	(4,042)	(2,934)	(2,934)	(2,934)	(2,934)				
Capital Projects Fund	1,607,005	1,444,767	1,393,406	1,446,765	1,332,264	1,420,914	1,401,637	1,405,888	
Debt Service	70,611	10,818	115,156	164,294	105,927	67,546	12,292	1,681	
Restricted, Reported in:									
Capital Projects Fund									6,296,540
Debt Service Fund									3,959
Total Business-type Activities Net Assets	1,820,289	1,746,487	1,536,425	1,804,296	1,523,907	1,488,460	1,413,929	1,407,569	6,300,499

Note: This schedule only covers the years subsequent to the implementation of GASB #34

Source: District Audits

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
Governmental Fund Expenditures by Function
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax Levy	14,904,015	15,653,431	16,362,569	18,313,101	18,083,115	18,321,919	19,064,004	19,303,916	19,207,555	19,922,843
Other Local Revenue	288,589	313,161	504,826	595,041	456,529	677,404	677,404	329,309	256,445	195,894
State Sources	6,070,089	4,837,105	5,223,923	5,563,896	5,999,138	6,344,483	6,549,403	5,710,103	4,740,322	5,966,111
Federal Sources	1,701,654	1,247,212	1,178,038	1,069,592	949,340	744,163	904,675	928,077	838,199	844,025
Total Revenues	22,944,347	22,050,909	23,289,356	25,541,630	25,482,122	25,410,565	27,195,486	26,271,405	25,042,521	26,928,873
Expenditures										
Instruction:										
Regular	6,480,251	6,317,620	5,755,125	6,943,799	6,748,640	6,995,405	7,185,127	7,536,311	7,333,207	7,079,836
Special	1,773,721	1,785,801	1,689,933	1,750,651	1,952,487	2,131,103	2,366,441	2,462,588	2,059,213	1,869,541
Other Special Instruction			231,557	262,310	245,636	317,976	379,837	374,906	317,664	279,564
Other Instruction	216,948	274,385	95,020	92,163	97,548	104,979	113,457	111,262	124,842	112,836
School-Sponsored/Other Instructional	84,596	85,876								
Support Services:										
Instruction - Tuition	372,239	307,138	431,568	1,018,136	932,772	728,272	666,895	554,227	544,104	521,532
Student Related Services	1,258,732	1,468,754	2,428,106	2,242,653	2,275,081	2,442,347	2,906,861	2,909,808	2,980,152	2,785,430
Instructional Staff	733,842	869,958								
General Administration	730,752	541,067	566,412	615,421	604,926	603,607	616,915	589,948	582,216	634,441
School Administration	1,030,719	1,017,887	1,037,924	1,093,176	795,663	799,893	822,457	887,085	908,499	923,854
Central Services & Admin. Info. Technology					296,097	269,227	329,273	326,551	389,127	384,650
Operations and Maintenance	1,684,559	1,526,631	1,520,997	1,708,796	1,822,389	1,919,584	1,934,547	1,840,740	1,841,218	1,738,765
Student Transportation	1,773,708	1,702,868	1,724,329	1,886,887	1,698,862	1,862,169	1,845,817	1,929,737	1,853,994	1,712,608
Business and Other Support Services	267,370	217,355	233,029	19,711						
Employee Benefits	2,591,675	3,200,241	3,291,143	3,455,752	3,794,652	4,421,489	4,668,448	4,318,657	4,483,265	4,459,981
Capital Outlay	451,778	4,480,842	462,930	1,237,287	1,000,549	469,373	306,043	405,296	1,234,000	2,443,102
Debt Service:										
Principal	870,000	1,060,000	1,070,000	1,325,000	1,195,000	1,185,000	1,200,000	1,200,000	1,210,000	1,270,000
Interest and Other Charges	965,063	1,124,388	1,063,960	682,221	782,223	740,151	694,175	641,395	582,135	521,165
Total Governmental Fund Expenditures	21,286,053	25,360,811	21,802,033	24,335,963	24,242,545	24,990,975	26,036,293	26,188,310	26,443,576	26,737,405
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,658,294	(3,909,702)	1,667,323	1,205,667	1,239,577	419,590	1,159,193	83,095	(1,401,055)	191,468
Other Financing Sources (Uses)										
Operating Transfers In		(8,500)	10,818	22,602	662,398		10,757		533,184	1,926,678
Operating Transfers Out	(330)		(14,811)	(38,936)	(680,479)	(3,795)	(16,928)	(16,977)	(533,184)	(1,943,614)
Proceeds from Borrowing	4,463,000									4,766,000
Funding of Temporary Notes										
Capital Leases (non-budgeted)	74,873		356,950	163,944						
Total Other Financing Sources (Uses)	4,537,543	(8,500)	352,957	147,610	(18,081)	(3,795)	(6,171)	(16,977)	(1,401,055)	4,751,064
Net Changes in Fund Balance	6,195,837	(3,918,202)	2,020,280	1,353,277	1,221,496	415,795	1,153,022	66,118	(1,401,055)	4,942,532
Debt Service as a percentage of noncapital expenditures	8.81%	10.16%	10.09%	8.69%	8.51%	7.85%	7.36%	7.14%	7.11%	7.37%

Source: District records.
 Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Income</u>	<u>Sale of Land</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	103,935	104,700		59,954	268,589
2003	101,132	102,035		109,994	313,161
2004	74,146	44,466	301,500	84,714	504,826
2005	57,611	146,666		390,764	595,041
2006	108,374	314,282		33,873	456,529
2007	167,380	506,780		33,186	707,346
2008	134,678	420,227		77,663	632,568
2009	100,582	130,048		98,679	329,309
2010	136,707	38,975		65,459	241,141
2011	34,161	24,015		51,486	109,662

Source: District records.

Tinton Falls School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2002	40,757,400	809,161,243	4,317,700	296,300	185,472,800	16,381,300	48,296,400	1,104,683,143	0	2,701,822	1,107,384,965	1.376	1,495,113,526
2003	39,243,604	809,801,143	3,693,000	275,500	189,507,400	16,401,300	79,192,400	1,138,114,347	0	2,677,578	1,140,791,925	1.398	1,764,191,813
2004	34,382,304	853,176,443	3,368,100	275,500	191,618,300	16,401,300	88,104,800	1,187,326,747	0	2,262,675	1,189,589,422	1.498	2,134,674,218
2005	36,489,704	897,285,943	3,108,800	209,000	190,298,500	16,401,300	99,635,200	1,243,428,447	0	1,860,866	1,245,289,313	1.412	2,501,717,012
2006	42,013,900	909,550,000	2,938,700	198,100	189,808,700	17,596,900	97,242,400	1,259,348,700	0	1,546,453	1,260,895,153	1.411	2,542,770,410
2007	41,158,900	930,617,300	2,938,700	198,100	191,731,300	15,274,600	97,242,400	1,279,158,300	0	1,444,988	1,280,603,288	1.447	2,985,510,952
R 2008	119,373,500	2,097,157,300	6,307,800	239,200	439,797,200	36,222,500	219,667,600	2,918,765,100	0	3,722,489	2,922,487,589	0.644	3,277,610,613
2009	96,684,100	2,096,852,400	6,307,800	239,200	520,712,800	38,601,400	242,240,100	3,001,637,800	0	4,276,318	3,005,914,118	0.623	3,241,270,014
2010	96,028,200	2,061,510,100	5,773,200	235,700	553,538,700	38,136,900	239,172,900	2,994,395,700	0	4,447,519	2,998,843,219	0.648	3,167,733,583
2011	81,442,000	1,979,718,700	5,732,500	229,100	528,100,300	35,757,400	239,172,900	2,868,152,900	0	4,457,320	2,872,610,220	0.703	3,094,264,906

Source: District records Tax list summary, Municipal Tax Assessor and Monmouth County Abstract of Rates

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

R Denotes revaluation.

Tinton Falls School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Shrewsbury Township:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2002	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	122,476	\$27,360,576	1.249	37,537,449
2003	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	26,496	\$27,264,596	1.521	44,877,640
2004	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	50,501	\$27,288,601	1.517	55,121,467
2005	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	66,336	\$27,304,436	1.709	63,030,044
2006	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	47,361	27,285,461	1.826	63,041,570
2007	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	40,437	\$27,278,537	1.946	75,297,009
2008	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,611,500	\$72,576,200	0	140,814	\$72,717,014	0.671	79,818,479
2009	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,611,500	\$72,576,200	0	149,178	\$72,725,378	0.670	79,314,947
2010	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.663	75,611,792
2011	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.637	69,659,242

Source: District records Tax list summary, Municipal Tax Assessor and Monmouth County Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

R Denotes revaluation.

**Tinton Falls School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**
(rate per \$100 of assessed value)
Unaudited

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Local School District	Total Direct	Monmouth Regional School District	Tinton Falls Borough	Library/Other	Monmouth County	
2002	1.212	0.164	1.376	1.376	0.596	0.537		0.543	3.052
2003	1.191	0.019	1.398	1.398	0.633	0.617		0.563	3.211
2004	1.311	0.187	1.498	1.498	0.611	0.611		0.579	3.413
2005	1.266	0.146	1.412	1.412	0.793	0.611		0.600	3.416
2006	1.262	0.149	1.411	1.411	0.797	0.785		0.597	3.690
2007	1.333	0.114	1.447	1.447	0.824	0.785		0.627	3.683
R 2008	0.566	0.058	0.644	0.644	0.369	0.383		0.283	1.679
2009	0.569	0.054	0.623	0.623	0.336	0.410		0.277	1.646
2010	0.562	0.056	0.648	0.648	0.344	0.416		0.285	1.693
2011	0.649	0.054	0.703	0.703	0.366	0.439		0.300	1.808

Township of Shrewsbury:

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Local School District	Total Direct	Monmouth Regional School District	Shrewsbury Township	County/Library/Other	Monmouth County	
2002	1.105	0.144	1.249	1.249	0.502	1.388		0.487	3.626
2003	1.317	0.204	1.521	1.521	0.504	1.450		0.546	4.021
2004	1.315	0.187	1.517	1.517	0.614	1.501		0.572	4.204
2005	1.483	0.187	1.670	1.670	0.623	1.580		0.614	4.487
2006	1.613	0.193	1.806	1.806	0.724	1.760		0.675	4.965
2007	1.740	0.190	1.930	1.930	0.570	1.915		0.685	5.100
R 2008	0.655	0.060	0.715	0.715	0.322	0.869	0.015	0.265	2.176
2009	0.612	0.058	0.670	0.670	0.324	0.926	0.015	0.266	2.201
2010	0.606	0.057	0.663	0.663	0.315	1.019	0.014	0.267	2.278
2011	0.588	0.049	0.637	0.637	0.316	1.042	0.014	0.255	2.264

Source: District Records and Municipal Tax Collector

N/A=NOT AVAILABLE

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

R Revaluation year.

Tinton Falls School District
Principal Property Taxpayers,

Exhibit J-8a

Unaudited

TINTON FALLS BOROUGH

	2009			1997		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Tinton Falls Campus/Seabrook	\$194,755,600	1	6.48%	\$30,500,000	1	3.19%
CPG Tinton Falls	\$86,244,500	2		\$17,436,900	2	1.83%
Tinton Ave Developers	\$38,703,400	3	1.29%	\$10,500,000	3	1.10%
Stavola Realty	\$35,664,700	4	1.19%	\$8,342,100	4	0.87%
Mid Monmouth Realty	\$25,424,500	5	0.85%			
Avalon Bay Communities Inc	\$23,280,000	6	0.77%			
Putnam @ Tinton Falls	\$18,476,600	7	0.61%			
Reidhall, LP etal c/o Hudson Equities	\$18,416,600	8	0.61%			
Hovsons, Inc.	\$15,623,600	9	0.52%	\$7,829,500	5	0.82%
Kapson TF Corp	\$15,367,100	10	0.51%	\$7,283,000	6	0.76%
XPD (NJ) L.L.C.-Thomson				\$6,958,400	7	0.73%
Tinton Pines Construction				\$6,496,200	8	0.68%
Palumbo, Attilio & Valerie				\$5,734,800	9	0.60%
Shrewsbury 35 assco/A&P				\$4,200,000	10	0.44%
Hovsons, inc						
	\$471,956,600		12.83%	\$105,280,900		11.02%

Source: Municipal Tax Assessor

Tinton Falls School District
Principal Property Taxpayers

Exhibit J-8b

SHREWSBURY TOWNSHIP

	2009			1997		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Alfred Vail Mutual	\$ 41,010,000		56.51%	\$ 13,264,600		48.69%
Coolidge Shrewsbury, LLC	6,596,300		9.09%	4,800,000		17.62%
Taxpayer 3	219,700		0.30%	77,900		0.28%
Taxpayer 4	219,700		0.30%	77,900		0.28%
Taxpayer 5	219,700		0.30%	77,900		0.28%
Taxpayer 6	219,700		0.30%	77,900		0.28%
Taxpayer 7	219,700		0.30%	77,900		0.28%
Taxpayer 8	219,700		0.30%	77,900		0.28%
Taxpayer 9	219,700		0.30%	77,900		0.28%
Taxpayer 10	219,400		0.30%	77,900		0.28%
Total	\$ 49,363,600		68.02%	\$ 18,687,800		68.55%

Source: Municipal Tax Assessor

Tinton Falls School District
Property Tax Levies and Collections,
Last Eight Fiscal Years

TINTON FALLS BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	16,390,264	16,390,264	100.00%	-
2005	17,819,138	17,819,138	100.00%	-
2006	17,584,478	17,584,478	100.00%	-
2007	17,792,345	17,792,345	100.00%	-
2008	18,525,689	18,525,689	100.00%	-
2009	18,815,939	18,815,939	100.00%	-
2010	18,720,023	18,720,023	100.00%	-
2011	19,445,362	19,445,362	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Tinton Falls School District
 Property Tax Levies and Collections,
 Last Six Fiscal Years

SHREWSBURY TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	493,962	493,962	100.00%	-
2006	498,637	498,637	100.00%	-
2007	529,574	529,574	100.00%	-
2008	538,315	538,315	100.00%	-
2009	487,977	487,977	100.00%	-
2010	487,532	487,532	100.00%	-
2011	477,481	477,481	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

^a

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Tinton Falls School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income ^a		
2002	19,022,548	0	355,215	0	19,377,763	2.61%	1,101		
2003	18,895,257	0	305,266	0	19,200,523	2.56%	1,089		
2004	16,799,654	0	136,908	0	16,936,562	2.05%	949		
2005	15,644,447	0	350,202	0	15,994,649	1.73%	823		
2006	14,492,540	0	406,919	0	14,899,459	1.53%	764		
2007	13,337,257	0	292,369	0	13,629,626	1.30%	697		
2008	13,161,107	0	310,214	0	13,471,321	1.20%	668		
2009	11,990,060	0	218,865	0	12,208,925	1.13%	617		
2010	10,816,959	0	128,435	0	10,945,394	N/A	612		
2011	14,289,380	0	85,480	0	14,374,860	N/A	N/A		

Shrewsbury Township:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income ^a		
2002	475,452	0	355,215	0	830,667	1.75%	753		
2003	452,743	0	305,266	0	758,009	1.59%	687		
2004	426,346	0	136,908	0	565,254	1.10%	513		
2005	398,553	0	350,202	0	748,755	1.41%	684		
2006	370,460	0	406,919	0	777,379	1.39%	716		
2007	335,743	0	292,369	0	628,112	1.07%	584		
2008	331,893	0	310,214	0	642,107	1.06%	601		
2009	302,940	0	218,865	0	521,805	0.89%	490		
2010	266,041	0	128,435	0	394,476	N/A	346		
2011	291,620	0	85,480	0	377,100	N/A	N/A		

N/A= Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

Tinton Falls School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Calendar Years
Unaudited

Borough of Tinton Falls:

Year Ended December 31,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	19,022,548.00	-	19,022,548	1.72%	\$ 1,101
2003	18,895,257.00	-	18,895,257	1.66%	\$ 1,089
2004	16,798,654.00	-	16,798,654	1.41%	\$ 949
2005	15,644,447.00	-	15,644,447	1.26%	\$ 823
2006	14,492,540.00	-	14,492,540	1.15%	\$ 764
2007	13,337,257.00	-	13,337,257	1.04%	\$ 697
2008	12,171,411.00	-	12,171,411	0.42%	\$ 618
2009	11,007,278.00	-	11,007,278	0.37%	\$ 557
2010	9,777,568.00	-	9,777,568	0.33%	\$ 546
2011	13,142,816.00	-	13,142,816	N/A	N/A

Shrewsbury Township:

Year Ended December 31,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	475,452	-	475,452	1.74%	\$ 431
2003	452,743	-	452,743	1.66%	\$ 410
2004	428,346	-	428,346	1.57%	\$ 389
2005	398,553	-	398,553	1.46%	\$ 364
2006	370,460	-	370,460	1.36%	\$ 341
2007	335,743	-	335,743	1.23%	\$ 312
2008	306,589	-	306,589	0.42%	\$ 287
2009	270,722	-	270,722	0.37%	\$ 254
2010	240,432	-	240,432	0.33%	\$ 211
2011	323,184	-	323,184	N/A	N/A

^a See Exhibit NJ J-6 for property tax data.

^b Population data can be found in Exhibit NJ J-14.

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Tinton Falls School District
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010

Exhibit J-12

Borough of Tinton Falls

Debt repaid with property taxes

Tinton Falls Borough (Net Debt)
 Monmouth County General Obligation Debt (Net Debt)
 Monmouth Regional High School

<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
\$ 19,032,925	100.000%	\$ 19,032,925
488,135,115	2.655%	12,956,987
		982,434
		<u>\$ 47,422,004</u>

Tinton Falls School District Direct Debt

Authorized but not issued
 Outstanding

4,768,935
 10,018,000

Total direct and overlapping debt

Township of Shrewsbury

Debt repaid with property taxes

Township of Shrewsbury (Net Debt)
 Monmouth County General Obligation Debt
 Monmouth Regional High School

<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
\$ 1,048,876	100.000%	\$ 1,048,876
488,135,115	0.058%	280,678
		23,139
		<u>\$ 1,692,955</u>

Shrewsbury Township School District Direct Debt

Authorized but not issued
 Outstanding

4,768,935
 10,018,000

Total direct and overlapping debt

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
 Debt outstanding data provided by each governmental unit annual debt statement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Legal Debt Margin Calculation for Fiscal Year 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 38,545,281	\$ 39,185,245	\$ 45,069,294	\$ 53,441,299	\$ 65,566,677	\$ 77,535,619	\$ 88,710,399	\$ 95,234,386	\$ 97,548,534	\$ 97,336,153
Total net debt applicable to limit	20,408,000	19,348,000	18,278,000	17,073,000	15,878,000	14,683,000	13,493,000	12,478,000	11,278,000	14,786,000
Legal debt margin	\$ 16,137,281	\$ 19,837,245	\$ 26,791,294	\$ 36,368,299	\$ 49,688,677	\$ 62,842,619	\$ 75,217,399	\$ 82,756,386	\$ 86,270,534	\$ 82,550,153
Total net debt applicable to the limit as a percentage of debt limit	55.84%	49.38%	40.56%	31.95%	24.22%	18.95%	15.21%	13.10%	11.56%	15.19%

	2006	2007	2008	2009	2010
Equalized valuation basis	3,283,716,304	3,214,250,429	69,465,875		
2010	3,234,674,359	3,158,286,180	75,388,179		
2009	3,215,224,593	3,136,096,594	79,127,999		
2008	9,733,615,256	9,509,633,203	223,982,053		
[A]	\$ 3,244,538,419	\$ 3,169,877,734	\$ 74,660,664		
[A/3]	97,336,153				
[B]	14,786,000				
[C]	82,550,153				
[B-C]					

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Tinton Falls School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Borough of Tinton Falls:

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2001	17,173	\$ 747,454,825	43,525	2.6%
2002	17,270	\$ 742,178,250	42,975	3.8%
2003	17,356	\$ 749,900,692	43,207	3.8%
2004	17,711	\$ 824,765,848	46,568	3.2%
2005	19,012	\$ 922,196,072	48,506	4.0%
2006	18,958	\$ 975,483,890	51,455	4.1%
2007	19,139	\$ 1,048,836,339	54,801	3.7%
2008	19,703	\$ 1,118,243,765	56,755	4.8%
2009	19,772	\$ 1,082,932,212	54,771	7.9%
2010	17,892	N/A	N/A	8.1%

Shrewsbury Township:

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2001	1,102	\$ 47,964,550	43,525	3.2%
2002	1,103	\$ 47,401,425	42,975	4.8%
2003	1,104	\$ 47,700,528	43,207	4.8%
2004	1,102	\$ 51,317,936	46,568	4.0%
2005	1,094	\$ 53,065,564	48,506	7.2%
2006	1,085	\$ 55,828,675	51,455	7.2%
2007	1,075	\$ 58,911,075	54,801	6.6%
2008	1,068	\$ 60,614,340	56,755	8.4%
2009	1,065	\$ 58,331,115	54,771	13.5%
2010	1,141	N/A	N/A	13.7%

N/A= Not Available

Source: US Bureau of the Census, Population Division, 7/1/09.

Note: The April 1, 2000 Population Estimates Base reflects changes to the Census 2000 population resulting from legal boundary updates as of January 1 of the estimates year, other geographic program changes, and Count Question Resolution actions. All geographic boundaries for the July 1, 2007 population estimates series are defined as of January 1, 2007. An "(X)" in the Census 2000 field indicates a locality that was formed or incorporated after Census 2000 or was erroneously omitted from Census 2000. Additional information on these localities can be found in the Geographic Change Notes (see "Boundary Changes" under the Geographic Topics section of the Estimates page).
Washington Township (Mercer County) was renamed to Robbinsville Township in 2008.

Tinton Falls School District
Principal Employers,

Unaudited

SHREWSBURY TOWNSHIP

Employer	2010		1999		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Rank [Optional]	Percentage of Total Municipal Employment
	-	N/A	0.00%	N/A	0.00%

N/A= NOT AVAILABLE

Tinton Falls School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	115	114	97	97	98	105	102	106	99	95
Regular	25	26	26	24	26	34	42	35	37	38
Special education	31	29	19	22	31	19	38	38	35	31
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	3	2	2	4	6	10	4	4	3	3
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	38	19	20	17	18	29	19	20	27	21
General administrative services	5	5	5	5	5	6	5	5	5	5
School administrative services	18	18	14	13	13	13	13	13	15	15
Business administrative services	4	4	4	4	4	4	4	4	4	5
Plant operations and maintenance	12	13	17	16	17	16	15	10	6	6
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	251	231	203	202	218	236	242	235	231	213

Source: District Personnel Records

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Elementary School	Middle School	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	1,810	19,328,119	\$ 10,678.52	6.71%	143	102.4	38.1	1,846.20	1,759.00	-1.02	95.28
2003	1,729	19,593,848	\$ 11,332.47	6.12%	140	101.0	39.6	1,741.90	1,665.10	-5.65	95.60
2004	1,726	19,405,468	\$ 11,243.03	-0.79%	140	87.2	33.5	1,725.40	1,649.10	-0.95	95.60
2005	1,618	21,658,453	\$ 13,385.94	19.06%	128	91.3	31.2	1,627.20	1,549.40	0.95	95.22
2006	1,594	21,526,798	\$ 13,508.15	0.90%	134	94.0	50.0	1,576.30	1,506.10	0.97	95.55
2007	1,559	21,987,960	\$ 14,103.89	4.43%	150	97	53	1,561.40	1,488.70	0.99	95.30
2008	1,583	23,194,661	\$ 14,652.34	3.85%	159	105	54	1,575.30	1,506.40	1.01	96.60
2009	1,632	23,604,953	\$ 14,463.82	-1.25%	159	105	54	1,611.70	1,539.50	1.02	96.50
2010	1,585	23,093,165	\$ 14,569.82	-0.56%	150	95.8	54.2	1,582.30	1,511.20	0.98	95.50
2011	1,580	24,946,240	\$ 15,786.76	9.16%	145	85	59	1,590.00	1,537.32	1.00	95.43

Source:

- a Operating expenditures equal total expenditures less debt service.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary.

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building										
Elementary										
Mahaia F. Atchinson (Year)										
Square Feet	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950
Capacity (students)										
Enrollment										
Swimming River (Year)										
Square Feet	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692
Capacity (students)										
Enrollment										
Middle School										
Tinton Falls Middle School (Year)										
Square Feet	84,655	84,655	84,655	102,255	102,255	102,255	102,255	102,255	102,255	102,255
Capacity (students)										
Enrollment										
Other										
Central Administration (Year)										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Number of Schools at June 30, 2010										
Elementary										
Middle School										
Other										
	241,297	241,297	241,297	258,897	258,897	258,897	258,897	258,897	258,897	258,897

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Unaudited

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX**

School Facilities	Project #s	2011	2010	2009	2008	2007	2006	2005	2004	2003
Mahala F. Atchinson	N/A	105,152	82,462	100,980	118,075	106,949	113,828	113,355	85,564	89,584
Swimming River School	N/A	96,051	84,359	113,422	106,642	88,771	88,412	96,393	79,924	83,679
Tinton Falls Middle School	N/A	100,696	107,060	104,479	100,536	119,234	101,753	90,471	83,661	87,591
Administration Building	N/A	17,270	35,454	8,915	28,864	8,950	7,893	10,841	3,270	3,424
Total School Facilities		<u>319,169</u>	<u>309,335</u>	<u>327,796</u>	<u>354,117</u>	<u>323,904</u>	<u>311,886</u>	<u>311,060</u>	<u>252,419</u>	<u>264,278</u>

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

**Insurance Schedule
June 30, 2011
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	42,917,553	1,000
Comprehensive General Liability	1M OCC./2M AGG.	
Comprehensive Automobile Liability	1,000,000	
Automobile Physical Damage	1,000,000	500
Comprehensive Crime Coverage	25,000	0
Disappearance, Destruction, Forgery	100,000	
Computers and Schedule Equipment -		
Data Processing-Hardware	935,359	500
Data Processing-Media/Data	55,000	500
Other (Audio Visual)Equip.& Software	199,984	250
Boiler and Machinery - Property Damage	Incl. In Property	100
Umbrella Liability - Umbrella Policy	10,000,000	0
School Board Legal Liability -		
Directors' and Officers' Policy	1,000,000	Each loss 5,000
Public Employee Faithful Performance	100,000	0
Business Administrator Bond	250,000	0
Treasurer Bond	250,000	0
Workers Compensation	Statutory	
Employers Liability	2,000,000	
Supplemental Workers Compensation	52 Week Limit	7 Day
Employee Benefit Liability	1M OCC./3M AGG.	1,000

Source: District Records.

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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

Honorable President and
Members of the Board of Education
Borough of Tinton Falls School District
County of Monmouth, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Tinton Falls School District in the County of Monmouth as of and for the fiscal year ended June 30, 2011 which collectively comprise the basic financial statements of the Board of Education of the Borough of Tinton Falls School District in the County of Monmouth, and have issued our report thereon dated October 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Tinton Falls School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Tinton Falls School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Tinton Falls School District Board of Education's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

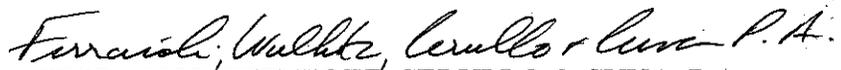
As part of obtaining reasonable assurance about whether the Borough of Tinton Falls School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance 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 Division of Finance, Department of Education, State of New Jersey.

However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Education of the Borough of Spring Lake in the separate Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance dated October 28, 2011.

This report is intended solely for the information of management, the Borough of Tinton Falls Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

October 28, 2011

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Tinton Falls School District
County of Monmouth, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Borough of Tinton Falls School District in the County of Monmouth 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 State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. Borough of Tinton Falls School District 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Tinton Falls School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Tinton Falls School District Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 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 Borough of Tinton Falls School District 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. Our audit does not provide a legal determination on the Borough of Tinton Falls School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Tinton Falls School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

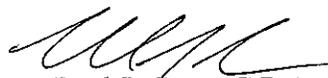
Internal Control Over Compliance

The management of the Borough of Tinton Falls School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Tinton Falls School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Borough of Tinton Falls School District 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.

Our consideration of the 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management and the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

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FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants



BOROUGH OF TINTON FALLS SCHOOL DISTRICT Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2011													K-3 SCHEDULE A		
Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2010	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Accounts (Accounts Receivable)	Balance at June 30, 2011		MEMO Cumulative Total Expenditures
													Deferred Revenue	Due to Grantor	
U.S. Department of Education General Fund: Impact Aid Medicaid Assistance Program	84.041 93.778		119,174 4,754	9/1/10 9/1/10	8/31/11 8/31/11			119,174 4,754	(19,174) (4,754)						119,174 4,754
U.S. Department of Education Passed-through State Department of Education Special Revenue Fund:								123,928	(123,928)						123,928
Title I															
84.010	NCLB518510		11,130	9/1/10	8/31/11										104,768
84.010	NCLB518509		118,715	9/1/09	8/31/10	(60,839)		54,686	(17,661)			(104,768)			117,661
84.010	NCLB518508		101,780	9/1/08	8/31/09	(23,913)		23,913	(13,294)			(19,446)			101,780
ARRA - Title I, Part A			30,163	9/1/09	8/31/10	(28,653)		30,163	(1,508)			(16,538)			30,163
84.367	NCLB518511		25,705	9/1/10	8/31/11			15,145	(6,699)			(6,699)			16,538
84.367	NCLB518510		24,715	9/1/09	8/31/10	(15,145)		5,664	(1,553)			(1,553)			21,844
Title II, Part A															
84.387	NCLB518509		32,079	9/1/08	8/31/09	(5,664)		10,212	(488)			(8,334)			37,847
Title II, Part A															
84.318	NCLB518511		11,574	9/1/10	8/31/11			623	(8,334)			(8,334)			631
Title II, Part D															
84.365	NCLB518511		10,700	9/1/09	8/31/10	(10,370)		4,737	(4,110)			(1,692)			6,299
Title III, Part A															
84.365	NCLB518510		6,656	9/1/09	8/31/10	(2,319)		1,281	(3,125)			(144,299)			438,460
84.186	NCLB518510		3,076	9/1/09	8/31/10	(1,281)		3,125	(144,299)			(43,663)			457,900
Title IV															
84.186	NCLB518509		3,262	9/1/08	8/31/09	(3,125)		264,686	(144,299)			(178,928)			144,299
ID.E.A. Part B, Basic Regular															
84.027	IDEA518511		598,186	9/1/10	8/31/11			160,717	(4,628)			(160,389)			1,784
ID.E.A. Part B, Basic Regular															
84.027	IDEA518510		475,434	9/1/09	8/31/10	(129,421)		239,051	(605)			(1,134)			14,860
ARRA - ID.E.A., Part B															
84.391	IDEA518510		458,671	9/1/09	8/31/10	(186,443)		14,846	(1,015)			(439)			35,090
ID.E.A. Part B, Preschool															
84.173	IDEA518509		14,825	9/1/09	8/31/10	(629)		472	(439)			(1,343)			911
ID.E.A. Part B, Preschool															
84.173	IDEA518506		14,860	9/1/08	8/31/09	(13,831)	364								
ID.E.A. Part B, Preschool															
ARRA - Preschool Grants															
84.392	IDEA518510		16,579	9/1/09	8/31/10	(461)									
Temp. Hurricane Education Aid															
Temp. Hurricane Education Aid															
Total Special Revenue Fund			1,396	9/1/05	8/31/06	1,343	364	829,321	(720,096)			(519,755)	1,343	338	2,027,634
U.S. Department of Agriculture Passed-through State Department of Education Enterprise Fund:															
Food Distribution Program															
10.550	n/a		17,443	9/1/10	8/31/11			17,443	(17,443)			(4,760)			17,443
National School Lunch Program															
10.555	n/a		101,942	7/1/10	6/30/11	(7,938)		97,182	(101,942)			(4,760)			93,450
National School Lunch Program															
10.555	n/a		93,450	7/1/09	6/30/10	(7,938)		7,938	(119,365)			(4,760)			110,893
Total Enterprise Fund			122,563			(7,938)		122,563	(119,365)			(4,760)			110,893
Total Federal Financial Awards			\$ 653,601			\$ (653,601)	\$ 364	\$ 1,075,812	\$ (965,409)			\$ (524,515)	\$ 1,343	\$ 338	\$ 2,262,455

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award activity of the Board of Education, Borough of Tinton Falls School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards 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 of Expenditures of Federal Awards and State Financial Assistance are presented on 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 bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-42-2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$130,761 for the general fund and \$-0- 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 basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$123,928	\$4,912,381	\$5,036,309
Special Revenue Fund	720,097	92,866	812,963
Capital Projects Fund		910,740	910,740
Debt Service Fund		50,124	50,124
Food Service Fund	<u>119,385</u>	<u>4,643</u>	<u>124,028</u>
Total Financial Awards	<u>\$963,410</u>	<u>\$5,970,754</u>	<u>\$6,934,164</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
- 2. Material weakness(es) identified? yes X no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
- 2. Material weakness(es) identified? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major 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 Preschool Grants</u>
<u>84.391</u>	<u>ARRA - IDEA Part B</u>
<u>84.392</u>	<u>ARRA - Preschool Grants</u>

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

Auditee qualified as low-risk auditee? X yes no

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

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

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

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

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>(A)</u>	<u>Name of State Program</u>
11-495-034-5120-014	(A)	Transportation Aid
11-495-034-5120-089	(A)	Special Education Categorical Aid
11-495-034-5120-085	(A)	Adjustment Aid
11-495-034-5120-044	(A)	Extraordinary Aid
11-495-034-5095-002	(A)	Reimbursed TPAF Social Security Contributions
11-495-034-5095-001	(A)	TPAF Post Retirement Medical
5180-030-10-1001/5185-050-10-1002/ 5185-050-10-1005/5185-070-10-1003		SDA School Facilities Projects

Note: (A) - Tested as major program.

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Status of Prior Year Findings

There were no prior year audit findings.