

**SCHOOL DISTRICT OF THE
BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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

OUTLINE OF CAFR

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INTRODUCTORY SECTION

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John P. Russo
Superintendent of Schools

Elizabeth W. Cole
Director of Special Services

Tamar R. Sydney-Gens
Business Administrator/Board Secretary

November 13, 2015

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, 2015. 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<

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“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 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 2014-2015 fiscal year with an enrollment of 1,524 which is eighteen (-18) students less than 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>
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	- 9.38%
2005-2006	1,602	-0.500%
2006-2007	1,577	-1.590%
2007-2008	1,578	+0.060%
2008-2009	1,632	+3.420%
2009-2010	1,585	- 2.960%
2010-2011	1,572	- 0.830%
2011-2012	1,565	- 0.4500%
2012-2013	1,531	- 2.22 %
2013-2014	1,542	+ 0.7%
2014-2015	1,524	- 1.18%

2. 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.

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Fort Monmouth closed completely in September, 2011. The district anticipated a small decrease in enrollment based on families who relocate due to the closure. However, there are also a number of housing developments that were approved in Tinton Falls and building has begun. The district anticipates an increase in enrollment once those homes are built and occupied. There is a concern regarding the possibility of civilian housing 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.

3. **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:

The 2014-2015 budget supported a comprehensive approach to the district's educational initiatives. It supported the teaching and curriculum process while addressing the physical plant needs of each of our schools. The budget included, but was not limited to the following: Raising standards and expanding opportunities; Support of all areas of the academic and social and emotional aspects of each child's educational experience; Targeted instruction for below grade level readers; Enrichment for high ability learners through our Gifted and Talented programs and appropriate challenges for grade level learners.

Maintaining and Improving our School System:

- Our curriculum currently supports the Common Core Standards for all subjects in grades K-8.
- The 2014-15 budget supported the importance of reading technical materials using "close read" to support college and career readiness.
- The technology instruction continued in traditional lab experiences as well as in each of their classrooms where computers are located. In several classroom mini-labs are available as writing and research centers. Students also engaged in interactive learning through the use of Promethean Boards which will be equipped with Elmo Document Cameras in each school. The wireless environments in each school and the continued expansion of hand held devices continue to provide access to appropriate educational materials in every area of the schools.
- Continued the development and implementation of Professional Learning Communities
- Refinement of our Balanced Literacy Program
- Enhancement of the following curricular areas through the review and update of each curriculum based on the Revised 2009 Core curriculum Content Standards and the Common Core State Standards in Math (6-8) and STEM (6-8)

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- Continued implementation of the Parent Portal to enhance communication regarding academic progress as well as use for communication of all district and school information
- Maintain an informative District website to support communication with parents and the community

Raising Standards and Expanding Opportunities:

- Through continued interaction with the District Evaluation Advisory Committee to continue to enhance Teacher Evaluation
- Through Professional Development advised by the School Improvement Panels and District Data Teams
- Through the development of Student Growth Objectives for Teachers and Principals
- Through the development of Common Assessments for each Content area designed to measure student progress and instructional effectiveness
- Through the development of electronic lesson plans
- Through the development and training of co-teaching instructional models

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. Annual appropriated

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budgets are adopted by the Board of Education for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved by the Board of Education 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, 2015.

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

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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,

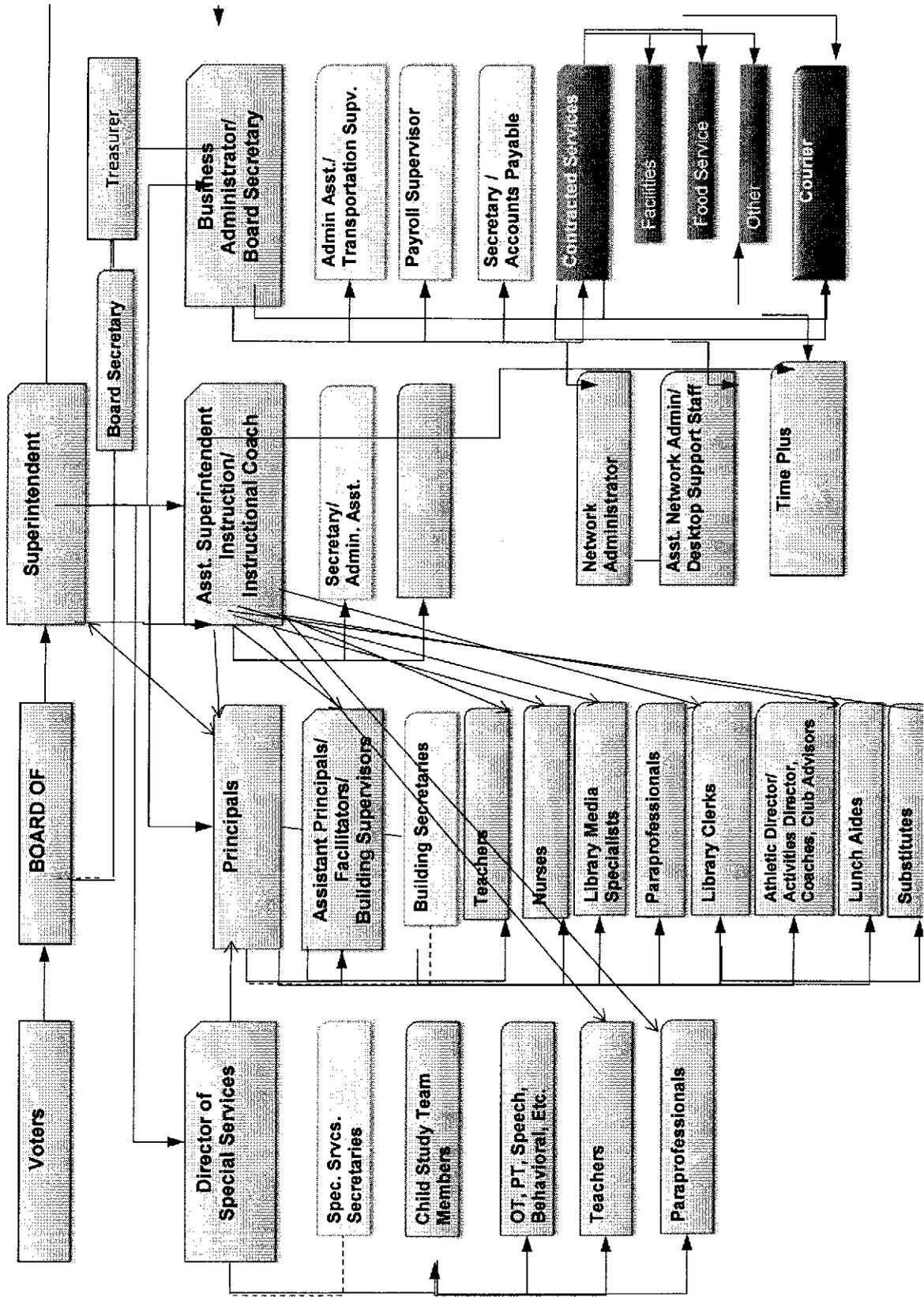
John Russo

Mr. John Russo
Superintendent of Schools

Tamar R. Sydney-Gens

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

TINTON FALLS SCHOOL DISTRICT 2015-2016



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ROSTER OF OFFICIALS
as of June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Peter Karavites, President	2017
Bill Holobowski, Vice President	2016
Heather Brown	2017
Susan E. Fisher	2016
Paul Ford	2015
Kenneth Hager	2016
Fred Lomangino	2015
Gerard Ryan	2017
R. Chris Skurat	2015

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

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Martin M. Barger, Esq.

Official Depository

TD Bank N.A.
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Bank of America

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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

Report on the Financial Statements

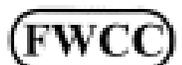
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Tinton Falls School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

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

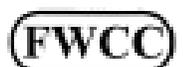
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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



Honorable President and
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Other Information

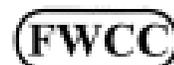
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tinton Falls Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015 on our consideration of the Borough of Tinton Falls Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to



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Members of the Board of Education
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describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Tinton Falls Board of Education's internal control over financial reporting and compliance.

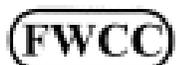
Paul J. Cuva

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 13, 2015



**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, 2015
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, 2015. 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 position increased \$300,197. Net position of governmental activities increased by \$145,338 and net position of business-type activity increased by \$154,859.
- General revenues accounted for \$30,517,110 in revenue or 91.97 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,663,355 or 8.03 percent of total revenues of \$33,180,465.
- The School District had \$32,164,589 in expenses related to governmental activities; only \$1,792,817 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$30,517,110 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 position 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, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Position 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 position and changes in them. The change in net position 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 Position 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, 2015
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, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position 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 positions were \$24,357,440 at June 30, 2015 and \$30,616,075 at June 30, 2014. Restricted net position is reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2015 compared to 2014 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current and Other Assets	16,002,733	16,174,303	1,307,179	1,161,324	17,309,912	17,335,627
Capital Assets	<u>25,103,618</u>	<u>26,225,555</u>	<u>6,263</u>	<u>7,307</u>	<u>25,109,881</u>	<u>26,232,862</u>
Total Assets	<u>41,106,351</u>	<u>42,399,858</u>	<u>1,313,442</u>	<u>1,168,631</u>	<u>42,419,793</u>	<u>43,568,489</u>
Deferred Outflow of Resources	<u>606,960</u>	_____	_____	_____	<u>606,960</u>	_____
Liabilities						
Current Liabilities	3,043,926	4,266,407	57,842	67,890	3,101,768	4,334,297
Noncurrent Liabilities	<u>13,989,459</u>	<u>8,618,117</u>	_____	_____	<u>13,989,459</u>	<u>8,618,117</u>
Total Liabilities	<u>17,033,385</u>	<u>12,884,524</u>	<u>57,842</u>	<u>67,890</u>	<u>17,091,227</u>	<u>12,952,414</u>
Deferred Inflow of Resources	<u>322,486</u>	_____	_____	_____	<u>322,486</u>	_____
Net Position						
Invested in Capital Assets- - Net of Debt	16,993,755	16,413,404	6,263	7,307	17,000,018	16,420,711
Restricted	10,323,834	10,128,673			10,323,834	10,128,673
Unrestricted	<u>(2,960,149)</u>	<u>2,973,257</u>	<u>1,249,337</u>	<u>1,093,434</u>	<u>(1,710,812)</u>	<u>4,066,691</u>
Total Net Position	<u>24,357,440</u>	<u>29,515,334</u>	<u>1,255,600</u>	<u>1,100,741</u>	<u>25,613,040</u>	<u>30,616,075</u>

This year, the District was able to report a balance of \$(2,960,149) in its unrestricted net position, which is a decrease from the previous years' balance of \$5,933,406. This decrease was largely attributable to the recording of the PERS net pension obligation of \$5,411,338 as per GASB #68.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015 compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			699,759	675,816	699,759	675,816
Operating Grants and						
Contributions	1,722,122	1,630,612	170,779	165,843	1,892,901	1,796,455
Capital Grants and						
Contributions	70,695	283,782			70,695	283,782
General Revenues:						
Taxes:						
Property taxes	22,124,297	21,493,097			22,124,297	21,493,097
Federal and State Aid						
Not Restricted	8,092,232	5,113,720			8,092,232	5,113,720
Tuition Received	197,953	72,534			197,953	72,534
Miscellaneous Income	102,628	95,771			102,628	95,771
Transfer from FEMA Grant	<u> </u>	<u> 1,090</u>	<u> </u>	<u> </u>	<u> </u>	<u> 1,090</u>
Total Revenues and Transfers	<u>32,309,927</u>	<u>28,690,606</u>	<u>870,538</u>	<u>841,659</u>	<u>33,180,465</u>	<u>29,532,265</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program						
Instruction:						
Regular	7,662,108	7,111,079			7,662,108	7,111,079
Special Education	2,646,554	2,245,663			2,646,554	2,245,663
Other Special Instruction	425,761	428,882			425,761	428,882
Other Instruction	171,835	123,080			171,835	123,080
Support Services:						
Tuition	547,665	472,421			547,665	472,421
Student & Instruction						
Related Services	4,285,270	3,446,431			4,285,270	3,446,431
School Administrative						
Services	978,620	915,384			978,620	915,384
General Administrative						
Services	543,026	575,136			543,026	575,136
Central Services and						
Admin.Technology	422,291	360,903			422,291	360,903
Plant Operations and						
Maintenance	1,830,685	1,770,799			1,830,685	1,770,799
Pupil Transportation	1,801,115	1,603,811			1,801,115	1,603,811
Unallocated Benefits	9,029,891	6,189,116			9,029,891	6,189,116
Capital Outlay - Non-						
Depreciable	17,235	17,762			17,235	17,762
Unallocated Depreciation	1,454,699	1,251,235			1,454,699	1,251,235
Interest on Long Term Debt	347,834	441,297			347,834	441,297
Transfers		2,825			0	2,825
Food Service			456,482	445,823	456,482	445,823
Time+			159,142	145,455	159,142	145,455
Kindergarten Enrichment			100,055	93,265	100,055	93,265
Total Expenses and Transfers	<u>32,164,589</u>	<u>26,955,824</u>	<u>715,679</u>	<u>684,543</u>	<u>32,880,268</u>	<u>27,640,367</u>
Increase or (Decrease) in						
Net Position	<u>145,338</u>	<u>1,734,782</u>	<u>154,859</u>	<u>157,116</u>	<u>300,197</u>	<u>1,891,898</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 \$32,880,268. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$22,124,297 because some of the cost was paid by those who benefitted from the programs \$699,759, by other governments and organizations who subsidized certain programs with grants and contributions \$10,055,828, tuition income \$197,953 and by miscellaneous sources \$102,628.

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 \$154,859.
- ✓ Charges for services provided totaled \$699,759. 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 \$170,779.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2015, 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 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$22,424,878	75.32%	\$763,476	70.60%
State Sources	6,583,007	22.11%	197,361	18.25%
Federal Sources	<u>762,989</u>	<u>2.56%</u>	<u>120,521</u>	<u>11.15%</u>
Total	<u>\$29,770,874</u>	<u>100.00%</u>	<u>\$1,081,358</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, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The increase in local revenue sources can be attributed to the increase in the local tax levy and miscellaneous revenues. The increase in state revenue is a result of an increase in state aid payments to the District.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$10,848,971	35.91%	\$965,133	48.44%
Undistributed	16,868,835	55.84%	1,526,108	76.59%
Capital Outlay	431,166	1.43%	(690,797)	(34.67)%
Debt Service	<u>2,062,703</u>	<u>6.83%</u>	<u>192,000</u>	<u>9.64%</u>
Total	<u>\$30,211,675</u>	<u>100.00%</u>	<u>\$1,992,444</u>	<u>100.00%</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant increase 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, 2015, 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 \$254,191 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, 2015
UNAUDITED (CONTINUED)**

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

General Fund

The general fund actual revenue was \$26,821,547. That amount is \$3,088,773 above the final amended budget of \$23,732,774. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,232,570 for TPAF social security reimbursements and on-behalf pension and medical retirement payments, an excess in other state and federal aids of \$643,858, and a \$212,345 excess in local anticipated revenues.

The actual expenditures of the general fund were \$27,153,486. This is \$2,126,454 below the final amended budget of \$29,279,940. 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 \$2,232,570, and a favorable variance of \$4,359,024 in unexpended budgeted funds.

The general fund had total revenues of \$26,821,547 and total expenditures of \$27,153,486, and transfers of \$354,000 to the capital project fund, with an ending fund balance of \$11,161,795.

Special Revenue Fund

The special revenue fund actual revenue was \$818,749. That amount is above the original budget estimate of \$564,558 and equal to the final amended budget. The \$254,191 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 \$818,749, which is above the original budget of \$564,558. The \$254,191 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, 2015
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015, the School District had \$43,780,885 invested in land, buildings and building improvements, machinery and equipment, and construction in progress. Of this amount, \$18,677,267 in depreciation has been taken over the years. We currently have a net book value of \$25,103,618. Total depreciable additions for the year were \$413,931, the majority of which was for various technology and office equipment and building improvements and depreciable deletions of \$1,535,868, which was transfers from construction in progress to capital assets being depreciated and asset deletions. Table 3 shows fiscal year 2015 balances compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	239,620	239,620			239,620	239,620
Buildings and Site Improvements	24,185,936	24,339,594			24,185,936	24,339,594
Furniture, Equipment and Vehicles	292,002	401,361	6,263	7,307	298,265	408,668
Construction in Progress	<u>386,060</u>	<u>1,244,980</u>	<u> </u>	<u> </u>	<u>386,060</u>	<u>1,244,980</u>
	<u>25,103,618</u>	<u>26,225,555</u>	<u>6,263</u>	<u>7,307</u>	<u>25,109,881</u>	<u>26,232,862</u>

Debt Administration

At June 30, 2015, the district had \$13,989,459 of outstanding debt. Of this amount, \$468,258 is for compensated absences; \$81,863 is for various capital leases; \$8,028,000 of serial bonds issued for the financing of various school construction projects; and \$5,411,338 is for the net PERS pension obligation.

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 2015-2016 fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

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

The following factors were considered in preparing the 2015-2016 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, 2015**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	9,348,387	1,245,972	10,594,359
Receivables, net	2,860,212	27,242	2,887,454
Internal Balances	(30,634)	30,634	-
Inventory		3,331	3,331
Restricted assets:			
Cash and cash equivalents	3,824,768		3,824,768
Capital assets:			
Land	239,620		239,620
Construction in Process	386,060		386,060
Depreciable Capital Assets	24,477,938	6,263	24,484,201
Total Assets	<u>41,106,351</u>	<u>1,313,442</u>	<u>42,419,793</u>
Deferred outflows of resources-Related to PERS Pension	<u>606,960</u>		<u>606,960</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,565,421	48,622	2,614,043
Prepaid Taxes	71,528		71,528
Payable to the Federal Government	258,515		258,515
Payable to the State Government	12,470		12,470
Advanced revenue	135,992	9,220	145,212
Noncurrent liabilities:			
Due within one year	1,737,288		1,737,288
Due beyond one year	12,252,171		12,252,171
Total liabilities	<u>17,033,385</u>	<u>57,842</u>	<u>17,091,227</u>
Deferred inflows of resources-Related to PERS Pension	<u>322,486</u>		<u>322,486</u>
NET POSITION			
Invested in capital assets, net of related debt	16,993,755	6,263	17,000,018
Restricted for:			
Debt service	8,062		8,062
Capital projects	2,460,204		2,460,204
Other Purposes	7,855,568		7,855,568
Unrestricted (Deficit)	<u>(2,960,149)</u>	<u>1,249,337</u>	<u>(1,710,812)</u>
Total net position	<u><u>24,357,440</u></u>	<u><u>1,255,600</u></u>	<u><u>25,613,040</u></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, 2015**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:							
Instruction:							
Regular	7,604,821	57,287		243,900		(7,418,208)	(7,418,208)
Special education	2,646,554					(2,646,554)	(2,646,554)
Other special instruction	425,761					(425,761)	(425,761)
Other instruction	171,835					(171,835)	(171,835)
Support services:							
Tuition	547,665					(547,665)	(547,665)
Student & instruction related services	4,271,609			574,849		(3,696,760)	(3,696,760)
General administrative services	543,026	13,661				(556,687)	(556,687)
School administrative services	978,620					(978,620)	(978,620)
Central Services and Administrative Technology	422,291					(422,291)	(422,291)
Plant operations and maintenance	1,820,464	10,221				(1,830,685)	(1,830,685)
Pupil transportation	1,801,115			854,382		(946,733)	(946,733)
Employee Benefits	9,029,891					(9,029,891)	(9,029,891)
Capital outlay-undepreciable	17,235				70,695	53,460	53,460
Interest on long-term debt	347,834					(298,843)	(298,843)
Unallocated depreciation	1,454,699					(1,454,699)	(1,454,699)
Total governmental activities	32,083,420	81,169	-	1,722,122	70,695	(30,371,772)	(30,371,772)
Business-type activities:							
Food Service	456,482		283,691	170,779		(2,012)	(2,012)
Time +	159,142		223,829			64,687	64,687
Kindergarten Enrichment Program	100,055		192,239			92,184	92,184
Total business-type activities	715,679	-	699,759	170,779	-	154,859	154,859
Total primary government	32,799,099	81,169	699,759	1,892,901	70,695	(30,371,772)	(30,216,913)
General revenues:							
Property Taxes Levied for:							
General Purposes						20,115,792	20,115,792
Debt Service						2,008,505	2,008,505
Federal and State aid not restricted						8,092,232	8,092,232
Tuition						197,953	197,953
Miscellaneous Income						102,628	102,628
Transfer financing sources and (uses)						-	-
Total general revenues, special items, extraordinary items and transfers						30,517,110	30,517,110
Change in Net Position						145,338	300,197
Net Position(Restated)—beginning						24,212,102	25,312,843
Net Position—ending						24,357,440	25,613,040

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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	8,432,726		907,599	8,062	9,348,387
Receivables from Other Governments	600,699	669,503	1,552,605		2,822,807
Interfund Accounts Receivable	250,350				250,350
Tuitions Receivable	37,405				37,405
Restricted Cash and Cash Equivalents	3,824,768				3,824,768
Total Assets	<u>13,145,948</u>	<u>669,503</u>	<u>2,460,204</u>	<u>8,062</u>	<u>16,283,717</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	2,183,452	63,339			2,246,791
Interfund Accounts Payable	30,634				30,634
Prepaid Taxes	71,528				71,528
Payable to the Federal Government		258,515			258,515
Payable to the State Government		12,470			12,470
Interfund Accounts Payable		250,350			250,350
Advanced Revenue	51,163	84,829			135,992
Total Liabilities	<u>2,336,777</u>	<u>669,503</u>			<u>3,006,280</u>
Fund Balances:					
Restricted for:					
Excess Surplus -- current year	2,021,509				2,021,509
Excess Surplus - prior year -designated for subsequent year's expenditures	2,009,291				2,009,291
Emergency Reserve	250,000				250,000
Maintenance Reserve	1,226,282				1,226,282
Capital Reserve	2,348,486				2,348,486
Assigned to:					
Other purposes	1,759,562				1,759,562
Debt Service				8,062	8,062
Designated by the BOE for subsequent year's expenditures	433,764				433,764
Capital Projects			2,460,204		2,460,204
Unassigned:					
General Fund	760,277				760,277
Total Fund Balances	<u>10,809,171</u>		<u>2,460,204</u>	<u>8,062</u>	<u>13,277,437</u>
Total Liabilities and Fund Balances	<u>13,145,948</u>	<u>669,503</u>	<u>2,460,204</u>	<u>8,062</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 \$43,780,883 and the accumulated depreciation is \$18,677,267.

25,103,618

Deferred outflow of resources related to PERS pension liability

606,960

Interest on Long-term debt accrued

(68,185)

Deferred inflow of resources related to PERS pension liability

(322,486)

Accounts payable for PERS payment subsequent to the measurement date.

(250,445)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)

(13,989,459)

Net position of governmental activities

24,357,440

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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	20,115,792			2,008,505	22,124,297
Tuition	197,953				197,953
Miscellaneous	65,392	33,371	3,865		102,628
Total - Local Sources	<u>20,379,137</u>	<u>33,371</u>	<u>3,865</u>	<u>2,008,505</u>	<u>22,424,878</u>
State Sources	6,333,063	130,258	70,695	48,991	6,583,007
Federal Sources	107,869	655,120			762,989
Total Revenues	<u>26,820,069</u>	<u>818,749</u>	<u>74,560</u>	<u>2,057,496</u>	<u>29,770,874</u>
EXPENDITURES					
Current:					
Regular Instruction	7,360,921	243,900			7,604,821
Special Education Instruction	2,646,554				2,646,554
Other Special Instruction	425,761				425,761
Other Instruction	171,835				171,835
Support Services and Undistributed Costs:					
Tuition	547,665				547,665
Student & Instruction Related Services	3,696,760	574,849			4,271,609
General Administrative Services	543,026				543,026
School Administrative Services	978,620				978,620
Central Services and Administrative Technology	449,579				449,579
Plant Operations and Maintenance	1,820,464				1,820,464
Pupil Transportation	1,801,115				1,801,115
Employee Benefits	6,456,757				6,456,757
Debt Service:					
Principal				1,675,000	1,675,000
Interest and Other Charges				387,703	387,703
Capital Outlay	254,429	-	176,737		431,166
Total Expenditures	<u>27,153,486</u>	<u>818,749</u>	<u>176,737</u>	<u>2,062,703</u>	<u>30,211,675</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(333,417)</u>	<u>-</u>	<u>(102,177)</u>	<u>(5,207)</u>	<u>(440,801)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in			354,000	3,865	357,865
Transfers out	(354,000)		(3,865)		(357,865)
Total other financing sources and uses	<u>(354,000)</u>	<u>-</u>	<u>350,135</u>	<u>3,865</u>	<u>-</u>
Net Change in Fund Balances	(687,417)	-	247,958	(1,342)	(440,801)
Fund Balance—July 1	11,496,588		2,212,246	9,404	13,718,238
Fund Balance—June 30	<u>10,809,171</u>	<u>-</u>	<u>2,460,204</u>	<u>8,062</u>	<u>13,277,437</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, 2015**

Total net change in fund balances - governmental funds (from B-2)	(440,801)
<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	(1,535,868)
Depreciable Capital outlays	413,931
<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 on Bonds	1,675,000
Principal Payments on Capital Leases	27,288
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>	
District Pension Contributions	238,268
Less: Pension Expense	<u>(312,345)</u>
Increase in Pension Expense	(74,077)
<p>Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements</p>	
Increase in On-behalf State Aid TPAF Pension	2,539,053
Increase in On-behalf TPAF Pension Expense	(2,539,053)
<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>	
Decrease in compensated absences payable	39,996
<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	(68,185)
Accrued interest - prior year	108,054
 Change in net assets of governmental activities	 <u><u>145,338</u></u>

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

Tinton Falls School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	92,408	563,922	589,642	1,245,972
Accounts Receivable:				
State	918			918
Federal	26,324			26,324
Interfund-Accounts Receivable	30,634			30,634
Inventory	3,331			3,331
Total Current Assets	<u>153,615</u>	<u>563,922</u>	<u>589,642</u>	<u>1,307,179</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	31,316			31,316
Less Accumulated Depreciation	<u>(25,053)</u>			<u>(25,053)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,263</u>	<u>-</u>	<u>-</u>	<u>6,263</u>
Total Assets	<u>159,878</u>	<u>563,922</u>	<u>589,642</u>	<u>1,313,442</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	25,960	12,209	10,453	48,622
Deferred Revenue	9,220			9,220
Total Current Liabilities	<u>35,180</u>	<u>12,209</u>	<u>10,453</u>	<u>57,842</u>
Total Liabilities	<u>35,180</u>	<u>12,209</u>	<u>10,453</u>	<u>57,842</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	6,263			6,263
Unrestricted	118,435	551,713	579,189	1,249,337
Total Net Position	<u>124,698</u>	<u>551,713</u>	<u>579,189</u>	<u>1,255,600</u>

Tinton Falls School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2015

	<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	180,559			180,559
Daily Sales - Non-Reimbursable Programs	97,369			97,369
Miscellaneous	5,763	223,829	192,239	421,831
Total Operating Revenues	<u>283,691</u>	<u>223,829</u>	<u>192,239</u>	<u>699,759</u>
Operating Expenses:				
Cost of Sales	221,918			221,918
Labor	182,777	144,607	92,438	419,822
Supplies and Materials	33,259	3,675	685	37,619
Employee Benefits	10,948	10,128	6,932	28,008
Miscellaneous Expense	6,536	732		7,268
Depreciation	1,044			1,044
Total Operating Expenses	<u>456,482</u>	<u>159,142</u>	<u>100,055</u>	<u>715,679</u>
Operating Income (Loss)	(172,791)	64,687	92,184	(15,920)
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,727			4,727
Federal Sources:				
National School Lunch Program	130,452			130,452
National School Breakfast Program	4,106			4,106
Food Distribution Program	31,494			31,494
Total Non-operating Revenues (Expenses)	<u>170,779</u>	-	-	<u>170,779</u>
Income (Loss) Before Contributions & Transfers	(2,012)	64,687	92,184	154,859
Transfers In (Out)				
Change in Net Assets	(2,012)	64,687	92,184	154,859
Total Net Position - Beginning	<u>126,710</u>	<u>487,026</u>	<u>487,005</u>	<u>1,100,741</u>
Total Net Position—Ending	<u><u>124,698</u></u>	<u><u>551,713</u></u>	<u><u>579,189</u></u>	<u><u>1,255,600</u></u>

**Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015**

	<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	285,671	223,829	154,674	664,174
Payments to employees		(144,607)	(83,673)	(228,280)
Payments for Miscellaneous Expenses	(6,536)	(2,735)	(7,617)	(16,888)
Payments to Food Service Management Company	(442,123)			(442,123)
Net Cash Provided by (Used for) Operating Activities	<u>(162,988)</u>	<u>76,487</u>	<u>63,384</u>	<u>(23,117)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	4,762			4,762
Federal Sources	167,419			167,419
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>172,181</u>	<u>-</u>	<u>-</u>	<u>172,181</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfunds				-
Net Cash Provided by (Used for) Capital Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,193	76,487	63,384	149,064
Balances—Beginning of Year	83,215	487,435	526,258	1,096,908
Balances—End of Year	<u>92,408</u>	<u>563,922</u>	<u>589,642</u>	<u>1,245,972</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	(172,791)	64,687	92,184	(15,920)
Adjustments to reconcile operating income (loss) to net cash provided by				
Depreciation	1,044			1,044
Increase (Decrease) in Deferred Revenue	1,980		(37,565)	(35,585)
(Increase) Decrease in Inventory	1,807			1,807
Increase (Decrease) in Accounts Payable	4,972	11,800	8,765	25,537
Total Adjustments	<u>9,803</u>	<u>11,800</u>	<u>(28,800)</u>	<u>(7,197)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(162,988)</u>	<u>76,487</u>	<u>63,384</u>	<u>(23,117)</u>

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

**Tinton Falls School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015**

	Agency Fund
ASSETS	
Cash and Cash Equivalents	73,487
Total Assets	73,487
LIABILITIES	
Payable to student groups	45,312
Payroll deductions and withholdings	28,175
Total Liabilities	73,487
NET POSITION	

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, 2015**

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 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 position 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, 2015**

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

District-wide Financial Statements:

The statement of net position 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 position 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 - *government*, *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, 2015**

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 position, 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, 2015**

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 Funds are comprised of the Food Service Fund, the Kindergarten Enrichment Program and the Time Plus Program.

FIDUCIARY FUNDS

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

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 position 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 position, 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, 2015**

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 position. The statement of changes in fund net position 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, 2015**

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. During 2014/2015, the Board did not increase the original budget.

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, 2015**

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 unearned 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, 2015**

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. As of June 30, 2015, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	<u>\$3,331</u>
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I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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 position, 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 position 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 position 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, 2015 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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

K. Capital Assets: (continued)

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 capitalized.

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. Advanced Revenue:

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

Advanced 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, 2015**

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. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

O. Accounting and Financial Reporting for Pensions: (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

P. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

P. Fund Balances:: (continued)

- **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.

Q. Net Position:

Net position represent the difference between assets and liabilities. Net position 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 position 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 position are available.

R. 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.

S. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

T. 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.

U. 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.

Estimates are used to determine depreciation expense, among other accounts. Actual results may differ from those estimates.

V. Allowance for Uncollectible Accounts:

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

W. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

W. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

(GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2015, \$-0- of the District's bank balance of \$14,914,260 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, 2015, the District had \$2,551,333 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, 2015**

NOTE 4. RECEIVABLES:

Receivables at June 30, 2015, 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 <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$2,136,299	\$918	\$2,137,217
Federal Aid	674,038	26,324	700,362
Tuition	37,405		37,405
Other	<u>12,470</u>		<u>12,470</u>
Gross receivables	2,860,212	27,242	2,887,454
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,860,212</u>	<u>\$27,242</u>	<u>\$2,887,454</u>

NOTE 5. CAPITAL ASSETS:

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

	Balance <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/15</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$239,620	\$	\$	\$239,620
Construction in Progress	<u>1,244,980</u>	<u>413,932</u>	<u>1,272,852</u>	<u>386,060</u>
Total Capital Assets, Not Being Depreciated	<u>1,484,600</u>	<u>413,932</u>	<u>1,272,852</u>	<u>625,680</u>
Capital Assets Being Depreciated				
Sites and Improvements	2,123,361			2,123,361
Buildings and Improvements	37,579,902	1,266,925		38,846,827
Furniture, Equipment and Vehicles	<u>2,179,091</u>	<u>5,926</u>		<u>2,185,017</u>
Total Capital Assets, Being Depreciated	<u>41,882,354</u>	<u>1,272,851</u>		<u>43,155,205</u>
Less Accumulated Depreciation:				
Sites and Improvements	(1,515,568)	(69,415)		(1,584,983)
Buildings and Improvements	(13,848,101)	(1,351,168)		(15,199,269)
Furniture, Equipment and Vehicles	<u>(1,777,730)</u>	<u>(115,285)</u>		<u>(1,893,015)</u>
Total Accumulated Depreciation	<u>(17,141,399)</u>	<u>(1,535,868)</u>		<u>(18,677,267)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,740,955</u>	<u>(263,017)</u>		<u>24,477,938</u>
Governmental Activities Capital Assets, Net	<u>\$26,225,555</u>	<u>\$150,915</u>	<u>\$1,272,852</u>	<u>\$25,103,618</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 5. CAPITAL ASSETS: (continued)

	<u>Balance 6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/15</u>
Business-Type Activity				
Machinery and Equipment	\$31,316	\$ _____	\$ _____	\$31,316
Totals	<u>31,316</u>	<u>_____</u>	<u>_____</u>	<u>31,316</u>
Less Accumulated Depreciation				
Machinery and Equipment	(24,009)	(1,044)	_____	(25,053)
Total Accumulated Depreciation	<u>(24,009)</u>	<u>(1,044)</u>	<u>_____</u>	<u>(25,053)</u>
Business-Type Activity Capital Assets, Net	<u>\$7,307</u>	<u>(\$1,044)</u>	<u>\$ _____</u>	<u>\$6,263</u>

Depreciation expense was charged to the functions as follows:

Instruction - Regular	\$57,287
Support Services - Administration	13,661
Plant Operations and Maintenance	10,221
Unallocated Depreciation	<u>1,454,699</u>
Total Depreciation Expense	<u>\$1,535,868</u>

NOTE 6. LONG-TERM DEBT OBLIGATIONS:

For the fiscal year ended June 30, 2015 the following liabilities are reported in the general long-term debt account group:

	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$508,254	\$107,000	\$146,996	\$468,258	\$ _____
Bonds payable	9,703,000		1,675,000	8,028,000	1,710,000
Capital leases payable	109,151		27,288	81,863	27,288
Net (PERS) pension obligation	_____	<u>5,411,338</u>	_____	<u>5,411,338</u>	_____
	<u>\$10,320,405</u>	<u>\$5,518,338</u>	<u>\$1,849,284</u>	<u>\$13,989,459</u>	<u>\$1,737,288</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

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.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,710,000	\$309,402	\$2,019,402
2017	1,305,000	240,428	1,545,428
2018	460,000	203,227	663,227
2019	475,000	184,328	659,328
2020	490,000	164,777	654,777
2021	495,000	144,128	639,128
2022	505,000	123,315	628,315
2023	245,000	106,302	351,302
2024	255,000	96,503	351,503
2025	265,000	86,302	351,302
2026	275,000	75,703	350,703
2027	285,000	64,702	349,702
2028	300,000	53,303	353,303
2029	310,000	40,927	350,927
2030	325,000	27,753	352,753
2031	<u>328,000</u>	<u>13,940</u>	<u>341,940</u>
Total	<u>\$8,028,000</u>	<u>\$1,935,040</u>	<u>\$9,963,040</u>

Advanced Refunding of Debt

On July 7, 2011 the District issued \$2,150,000 in School District Refunding Bonds having an interest rate of 3.00% to 5.00%. These Bonds were issued in order to advance refund certain principal maturities of school district bonds. The total bond principal defeased was \$2,908,000. The net proceeds of \$2,301,878 together with an initial cash deposit from the District’s Capital Project Fund in the amount of \$743,834 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

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, 2015.

<u>Year</u>	
2016	\$27,288
2017	27,288
2018	<u>27,287</u>
	<u>\$81,863</u>

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 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - 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. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. 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, 2015 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 AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/15	\$238,268	\$4,154
6/30/14	226,379	4,757
6/30/13	207,632	3,780

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>
6/30/15	\$540,320	\$919,470	\$38,874
6/30/14	421,481	752,069	37,203
6/30/13	643,084	765,425	33,835

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$733,906 during the year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$5,411,338 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .028902 percent, which was an increase of .001154 percent from its proportion measured as of June 30, 2013.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

For the year ended June 30, 2015, the District recognized pension expense of \$312,345. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$170,162	\$
Net difference between projected and actual earnings on pension plan investments		322,486
Changes in proportion and differences between District contributions and proportionate share of contributions	186,353	
District contributions subsequent to the measurement date	<u>250,445</u>	<u> </u>
Total	<u>\$606,960</u>	<u>\$322,486</u>

The \$250,445 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(49,342)
2017	(49,342)
2018	(49,345)
2019	31,280
Thereafter	13,763

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	.0289024950%	.0277481974%

Actuarial Assumptions

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

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1%	At Current	1%
	Decrease <u>4.39%</u>	Discount Rate <u>5.39%</u>	Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$6,807,647	\$5,411,338	\$4,238,793

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>57,949,872</u>
	<u>\$57,949,872</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .1084254465%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$3,118,247 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

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

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. PENSION PLANS: (continued)

cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT MEDICAL BENEFITS:

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund — State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund — Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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

Health Benefits Program Fund (HBPF) — Local Education (including Prescription Drug Program Fund) — The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. POST-RETIREMENT MEDICAL BENEFITS: (continued)

does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. POST-RETIREMENT MEDICAL BENEFITS: (continued)

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

Actuarial Methods and Assumptions

In the July 1, 2010, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TFAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2015, 2014 and 2013 were \$919,470, \$752,069 and \$765,425, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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	State of New Jersey Tax Shelter Annuity
Valic	MetLife
Lincoln Investments	

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, 2015**

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$2,042,070
Interest Earnings	416
Deposits:	
Transfer by Board Resolution, June 15, 2015	660,000
Withdrawals	<u>(354,000)</u>
Ending Balance, June 30, 2015	<u>\$2,348,486</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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$250,000
Ending balance, June 30, 2015	\$250,000

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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 activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$1,484,282
Increased by:	
Transfer by Board Resolution, June 15, 2015	200,000
Decreased by:	
Withdrawals	<u>(458,000)</u>
Ending Balance, June 30, 2015	<u>\$1,226,282</u>

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$10,809,171 General Fund fund balance at June 30, 2015, \$1,759,562 is reserved for encumbrances; \$4,030,800 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,009,291 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$2,348,486 has been reserved in the Capital Reserve Account; \$1,226,282 has been reserved in the maintenance reserve account; \$250,000 has been reserved in the Emergency Reserve Account; \$405,175 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$28,589 has been designated for subsequent year's expenditures - ARRA/SEMI); and \$760,277 is unreserved and undesignated.

Debt Service Fund - Of the \$8,062 Debt Service Fund fund balance at June 30, 2015, \$4,197 has been appropriated and included as anticipated revenue for the year ending June 30, 2016 and \$3,865 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, 2015 is \$4,030,800. Of this amount, \$2,021,509 is the result of current year's operations.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES:

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

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise - Food Service Fund	General Fund	<u>\$30,634</u>

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

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

NOTE 17. RESTATEMENT:

Net position for June 30, 2014 was restated in the amount of \$5,303,232 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$29,515,334
Prior Period Adjustment for Net Pension Liability	<u>(5,303,232)</u>
Net Position at June 30, 2014 - Restated	<u>\$24,212,102</u>

NOTE 18. CONTINGENT LIABILITIES:

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

NOTE 19. SUBSEQUENT EVENTS:

The Board has evaluated subsequent events through November 13, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	20,115,792		20,115,792	20,115,792		
Tuition	3,000		3,000	197,953	194,953	
Miscellaneous	48,000		48,000	65,392	17,392	
Total - Local Sources	20,166,792		20,166,792	20,379,137	212,345	
State Sources:						
Categorical Transportation Aid	854,382		854,382	854,382		
Categorical Special Education Aid	901,932		901,932	901,932		
Categorical Security Aid	149,585		149,585	149,585		
Adjustment Aid	1,596,766		1,596,766	1,596,766		
Extraordinary Aid				521,473	521,473	
Additional Adjustment Aid	26,568		26,568	26,568		
PARCC Readiness Aid	14,305		14,305	14,305		
Per Pupil Growth Aid	14,305		14,305	14,305		
Other State Aid-Reimbursed Nonpublic Transportation				22,655	22,655	
On-behalf TPAF NCGI Premium (non-budgeted)				38,874	38,874	
On-behalf TPAF Post-Retirement Medical (non-budgeted)				919,470	919,470	
On-behalf TPAF Premium				540,320	540,320	
TPAF Social Security (Reimbursed - Non-Budgeted)				733,906	733,906	
Total - State Sources	3,557,843		3,557,843	6,334,541	2,776,698	
Federal sources:						
Impact Aid				63,275	63,275	
Medical Assistance Program (SEMI)	8,139		8,139	16,005	7,866	
ARRA Medical Assistance Program (SEMI)				28,589	28,589	
Total - Federal Sources	8,139		8,139	107,869	99,730	
TOTAL REVENUES	23,732,774		23,732,774	26,821,547	3,088,773	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	263,402	8,965	272,367	239,005	33,362	
Grades 1-5 - Salaries of Teachers	3,543,491	567,179	4,110,670	3,523,799	586,871	
Grades 6-8 - Salaries of Teachers	2,573,166	304,957	2,878,123	2,518,371	359,752	
Regular Programs - Home Instruction:						
Salaries of Teachers	10,000	3,538	13,538	13,088	450	
Purchased Professional-Educational Services	1,000	(300)	700		700	
Other Purchased Services (400-500 series)	500		500		500	
Regular Programs - Undistributed Instruction						
Purchased Technical Services	14,380	2,900	17,280	6,487	10,793	
Other Purchased Services	239,243	(1,362)	237,881	167,875	70,006	
General Supplies	818,298	89,854	908,152	863,471	44,681	
Textbooks	49,472	(16,500)	32,972	19,327	13,645	
Other Objects	10,540	909	11,449	9,498	1,951	
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,523,492	960,140	8,483,632	7,360,921	1,122,711	
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	100,978	7,001	107,979	95,893	12,086	
Other Salaries for Instruction	30,499	30,599	61,098	31,147	29,951	
Other Purchased Services		660	660	660		
General Supplies	435	(120)	315	117	198	
Total Learning and/or Language Disabilities	131,912	38,140	170,052	127,817	42,235	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 14-15 Actual	Variance Final to Actual	
Auditory Impairments						
General Supplies						
Total Auditory Impairments						
Multiple Disabilities:						
Salaries of Teachers	358,034	66,748	424,782	331,000	93,782	
Other Salaries for Instruction	35,071	11,210	46,281	30,980	15,301	
General Supplies	5,792	(1,557)	4,235	3,488	747	
Total Multiple Disabilities	398,897	76,401	475,298	365,468	109,830	
Resource Room/Resource Center:						
Salaries of Teachers	1,486,826	116,640	1,603,466	1,460,745	142,721	
Other Salaries for Instruction	17,677	95,038	112,715	64,341	48,374	
General Supplies	10,582	8,505	19,087	15,353	3,734	
Total Resource Room/Resource Center	1,515,085	220,183	1,735,268	1,540,439	194,829	
Autism:						
Salaries of Teachers	228,333	18,701	247,034	179,053	67,981	
Other Salaries for Instruction	32,199	5,851	38,050	11,470	26,580	
General Supplies	35,070	(29,829)	5,241	4,157	1,084	
Total Autism	295,602	(5,277)	290,325	194,680	95,645	

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2015									
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual				
SPECIAL EDUCATION - INSTRUCTION (Continued)									
Preschool Disabilities - Part-Time:									
Salaries of Teachers	91,970	92,057	184,027	119,966	64,061				
Other Salaries for Instruction	63,598	7,359	70,957	34,937	36,020				
General Supplies	2,500	(1,400)	1,100	1,100					
Textbooks									
Total Preschool Disabilities - Part-Time	158,068	98,016	256,084	156,003	100,081				
Preschool Disabilities - Full-Time:									
Salaries of Teachers	178,751	11,116	189,867	163,601	26,266				
Other Salaries for Instruction	36,291	22,931	59,222	42,222	17,000				
General Supplies	3,423	(365)	3,058	2,989	69				
Total Preschool Disabilities - Full-Time	218,465	33,682	252,147	208,812	43,335				
Special Education - Home Instruction									
Salaries of Teachers	22,230	26,319	48,549	48,548	1				
Purchased Professional-Educational Services	2,000	7,644	9,644	4,787	4,857				
Other Purchased Services (400-500) Series	150	(100)	50	50					
Total Home Instruction	24,380	33,863	58,243	53,335	4,908				
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,742,409	495,008	3,237,417	2,646,554	590,863				
Basic Skills/Remedial - Instruction									
Salaries of Teachers	354,845	29,696	384,541	367,985	16,556				
General Supplies	5,301	(212)	5,089	3,646	1,443				
Total Basic Skills/Remedial - Instruction	360,146	29,484	389,630	371,631	17,999				
Bilingual Education - Instruction									
Salaries of Teachers	87,331	2,447	89,778	52,178	37,600				
General Supplies	3,000		3,000	1,952	1,048				
Total Bilingual Education - Instruction	90,331	2,447	92,778	54,130	38,648				
School-Sponsored Cocurricular Activities - Instruction									
Salaries	77,446	13,055	90,501	90,501					
Supplies and Materials	5,712	1,501	7,213	6,641	572				
Total School-Sponsored Cocurricular Activities - Instruction	83,158	14,556	97,714	97,142	572				
School-Sponsored Athletics - Instruction									
Salaries	46,299	17,190	63,489	63,489					
Purchased Services (300-500 series)	11,800		11,800	9,497	2,303				
Supplies and Materials	7,300	(411)	6,889	1,707	5,182				
Other Objects	1,300		1,300	1,300					
Total Other Instructional Programs - Instruction	66,699	16,779	83,478	74,693	8,785				
TOTAL INSTRUCTION	10,866,235	1,518,414	12,384,649	10,605,071	1,779,578				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2015									
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual				
Undistributed Expenditures - Instruction:									
Tuition to State- Regular	15,000	(15,000)							
Tuition to State-Special	103,328	57,211	160,539	158,398	2,141				
Tuition to Private Schools for the Handicapped - Within State	236,745	172,902	409,647	389,267	20,380				
Total Undistributed Expenditures - Instruction:	355,073	215,113	570,186	547,665	22,521				
Undist. Expend. - Health Services									
Salaries	315,467	31,421	346,888	316,682	30,206				
Purchased Professional and Technical Services	9,820		9,820	4,835	4,985				
Other Purchased Services (400-500 series)	30,050	(20,885)	9,165	8,054	1,111				
Supplies and Materials	6,127	850	6,977	6,074	903				
Total Undistributed Expenditures - Health Services	361,464	11,386	372,850	335,645	37,205				
Undist. Expend. - Other Supp. Serv. Students - Related Serv.									
Salaries	356,361	109,789	466,150	372,871	93,279				
Purchased Professional - Educational Services	98,350	(13,043)	85,307	64,440	20,867				
Supplies and Materials	3,554	(931)	2,623	2,033	590				
Other Objects	600		600		600				
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	458,865	95,815	554,680	439,344	115,336				
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.									
Salaries	1,324,895	105,416	1,430,311	1,117,643	312,668				
Purchased Professional - Educational Services	6,250	(1,460)	4,790	2,768	2,022				
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	1,331,145	103,956	1,435,101	1,120,411	314,690				
Undist. Expend. - Guidance									
Salaries of Other Professional Staff	210,414	65,862	276,276	220,336	55,940				
Salaries of Secretarial and Clerical Assistants	280	(280)							
Purchased Professional - Educational Services	6,000		6,000	3,334	2,666				
Other Purchased Prof. and Tech. Services	33,000	899	33,899	3,117	30,782				
Other Purchased Services (400-500 series)	8,566	(7,183)	1,383		1,383				
Supplies and Materials	2,539	93	2,632	1,037	1,595				
Other Objects	280		280		280				
Total Undist. Expend. - Guidance	261,079	59,391	320,470	227,824	92,646				
Undist. Expend. - Child Study Teams									
Salaries of Other Professional Staff	479,250	68,137	547,387	474,409	72,978				
Other Salaries	38,981	34,832	73,813	70,313	3,500				
Purchased Professional - Educational Services	175,500	(68,400)	107,100	97,050	10,050				
Other Purchased Prof. and Tech. Services	1,000		1,000		1,000				
Miscellaneous Purchased Services (400-500 series O/ than Resid Costs)	10,035	257	10,292	8,815	1,477				
Supplies and Materials	20,212	(3,865)	16,347	14,105	2,242				
Other Objects	3,000	187	3,187	2,392	795				
Total Undist. Expend. - Child Study Team	727,978	31,148	759,126	667,084	92,042				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2015									
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual				
Undist. Expend. - Improvement of Instructional Services									
Salaries of Supervisor of Instruction	214,859	6,658	221,517	221,517					
Salaries of Other Professional Staff	5,000		5,000	5,000					
Salaries of Secretarial and Clerical Assistants	53,470	2,790	56,260	56,260					
Other Salaries	181,584	19,590	201,174	201,174					
Salaries of Facilitators, Math and Literacy Coaches	20,823	91,585	112,408	81,210	31,198				
Purchased Prof- Educational Services	5,500	125	5,625	5,625					
Other Purch Services (400-500)	15,500		15,500	10,031	5,469				
Supplies and Materials	18,173	3,200	21,373	4,232	17,141				
Other Objects	510	344	854	734	120				
Total Undist. Expend. - Improvement of Inst. Services	515,419	124,292	639,711	585,783	53,928				
Undist. Expend. - Educational Media Serv./Sch. Library									
Salaries	195,072	36,500	231,572	200,255	31,317				
Purchased Professional and Technical Services	10,450		10,450	4,061	6,389				
Other Purchased Services (400-500 series)	1,050		1,050		1,050				
Supplies and Materials	15,164		15,164	6,280	8,884				
Total Undist. Expend. - Educational Media Serv./Sch. Library	221,736	36,500	258,236	210,596	47,640				
Undist. Expend. - Instructional Staff Training Serv.									
Salaries of Other Professional Staff	65,579	5,847	71,426	67,560	3,866				
Purchased Professional - Educational Services	45,860	2,495	48,355	33,016	15,339				
Other Purchased Services (400-500 series)	5,000	83	5,083	1,742	3,341				
Other Objects	38,700	(2,065)	36,635	7,755	28,880				
Total Undist. Expend. - Instructional Staff Training Serv.	155,139	6,360	161,499	110,073	51,426				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2015									
	Original Budget	Transfers/Adjustments	Final Budget	14-15 Actual	Variance Final to Actual				
Undist. Expend. - Supp. Serv. - General Administration									
Salaries	255,196	16,940	272,136	272,136					
Legal Services	58,000	10,273	68,273	52,221	16,052				
Audit Fees	31,500		31,500	27,800	3,700				
Architectural/Engineering Services	21,000	24,005	45,005	8,624	36,381				
Other Purchased Professional Services	45,100	(5,615)	39,485	10,918	28,567				
Purchased Technical Services	50,000		50,000	21,674	28,326				
Other Purch Prof. and Tech. Services									
Communications/Telephone	115,292	1,056	116,348	57,103	59,245				
BOE Other Purchased Services	4,000	400	4,400	3,231	1,169				
Miscellaneous Purchased Services (400-500) [Other than 530 & 585]	68,277	(4,714)	63,563	52,265	11,298				
General Supplies	18,000	2,543	20,543	8,992	11,551				
BOE Training/Meeting Supplies	700	2,745	3,445	3,419	26				
Judgments Against the School District	20,000	7,812	27,812		27,812				
Miscellaneous Expenditures	12,475	875	13,350	11,297	2,053				
BOE Membership Dues/Fees	14,000		14,000	13,346	654				
Total Undist. Expend. - Supp. Serv. - General Administration	713,540	56,320	769,860	543,026	226,834				
Undist. Expend. - Support Serv. - School Administration									
Salaries of Principals/Assistant Principals	346,118	27,267	373,385	373,385					
Salaries of Other Professional Staff	115,118	4,705	119,823	119,823					
Salaries of Secretarial and Clerical Assistants	431,841	15,557	447,398	446,536	862				
Other Salaries	8,465	328	8,793	8,665	128				
Purchased Professional and Technical Services	12,131	(200)	11,931	112	11,819				
Other Purchased Services (400-500 series)	9,500	79	9,579	503	9,076				
Supplies and Materials	48,382	(11,811)	36,571	24,211	12,360				
Other Objects	13,482	2,002	15,484	5,385	10,099				
Total Undist. Expend. - Support Serv. - School Administration	985,037	37,927	1,022,964	978,620	44,344				
Undistributed Expenditures Central Services									
Salaries	317,604	25,709	343,313	340,703	2,610				
Purchased Technical Service	10,850	30,000	40,850	5,047	35,803				
Misc. Purchased Serv. (400-500) O/T 594	21,350		21,350	9,795	11,555				
Supplies and Materials	8,500	1,444	9,944	9,265	679				
Miscellaneous Expenditures	4,945		4,945	2,924	2,021				
Total Undistributed Expenditures Central Services	363,249	57,153	420,402	367,734	52,668				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual	
Undistributed Expenditures Admin Info Tech						
Salaries	68,848	3,556	72,404	72,404		
Purchased Technical Services	9,566	5,657	15,223	1,391	13,832	
Supplies and Materials	38,400	(440)	37,960	7,836	30,124	
Other Objects	695	400	1,095	214	881	
Total Undistributed Expenditures Admin Info Tech	117,509	9,173	126,682	81,845	44,837	
Undist. Expend. - Required Maint. for School Facilities						
Cleaning, Repair and Maintenance Services	487,600	11,022	498,622	357,982	140,640	
General Supplies	61,500	23,522	85,022	64,341	20,681	
Other Objects	900	2,878	3,778	2,958	820	
Total Undist. Expend. - Required Maint. for School Facilities	550,000	37,422	587,422	425,281	162,141	
Undist. Expend. - Custodial Services						
Salaries	25,601	1,060	26,661	10,315	16,346	
Salaries of Non-Instructional Aides	71,304	(256)	71,048	50,095	20,953	
Purchased Professional and Technical Services	6,700	5,000	11,700	804	10,896	
Cleaning, Repair and Maintenance Services	710,569	(5,001)	705,568	656,629	48,939	
Other Purchased Property Services	54,811	(4,627)	50,184	39,945	10,239	
Insurance	74,044	(2,000)	72,044	71,925	119	
General Supplies	48,300	5,373	53,673	39,808	13,865	
Energy (Natural Gas)	256,300	(67,665)	188,635	154,846	33,789	
Energy (Electricity)	316,400	(27,000)	289,400	249,349	40,051	
Other Objects	1,000		1,000	747	253	
Total Undist. Expend. - Custodial Services	1,565,029	(95,116)	1,469,913	1,274,463	195,450	
Undist. Expend. - Care & Upkeep of Grounds						
Purchased Professional and Technical Services	106,559	1,500	108,059	107,486	573	
Cleaning, Repair and Maintenance Services	3,500	(1,500)	2,000	521	1,479	
General Supplies	18,900		18,900	8,653	10,247	
Total Undist. Expend. - Care & Upkeep of Grounds	128,959		128,959	116,660	12,299	
Undist. Expend. - Security						
Repair and Maintenance	6,000		6,000		6,000	
Purchased Professional and Technical Services	12,240		12,240		12,240	
General Supplies	20,000		20,000	4,060	15,940	
Total Undist. Expend. - Security	38,240		38,240	4,060	34,180	
Total Undist. Expend-Oper & Maint of Plant Services	2,282,228	(57,694)	2,224,534	1,820,464	404,070	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual	
Undist. Expend. - Student Transportation Services						
Contract Services (Between Home & School)-Vendors	975,000	(169,602)	805,398	802,865	2,533	
Contract Services (Other than Between Home & School)-Vendors	45,350		45,350	36,742	8,608	
Contracted Services (Between Home & School)-Joint Agreements	221,000	35,591	256,591	195,095	61,496	
Contracted Services (Special Ed. Students)-Vendors	407,950	(16,423)	391,527	374,060	17,467	
Contracted Services (Special Ed. Students)-Joint Agreements	26,780	6,131	32,911	32,875	36	
Contracted Services (Special Ed. Students)-ESCs & CTSAs	226,220	128,884	355,104	355,103	1	
Misc. Purchased Services-Transportation	6,000	2,350	8,350	2,880	5,470	
Transportation Supplies	4,500		4,500	1,495	3,005	
Total Undist. Expend. - Student Transportation Services	1,912,800	(13,069)	1,899,731	1,801,115	98,616	
UNALLOCATED BENEFITS						
Social Security Contributions	220,000	21,080	241,080	239,556	1,524	
Other Retirement Contributions-PERS	273,000	(7,662)	265,338	243,891	21,447	
Unemployment Compensation	54,000		54,000	53,861	139	
Workmen's Compensation	105,426		105,426	100,728	4,698	
Health Benefits	3,842,136	(65,975)	3,776,161	3,424,122	352,039	
Tuition Reimbursement	48,000	36,566	84,566	56,920	27,646	
Other Employee Benefits	34,000	72,000	106,000	105,109	891	
TOTAL UNALLOCATED BENEFITS	4,576,562	56,009	4,632,571	4,224,187	408,384	
ON-BEHALF CONTRIBUTIONS						
On-behalf TPAF NCGI Premium (non-budgeted)				38,874	(38,874)	
On-behalf TPAF Post-Retirement Medical (non-budgeted)				919,470	(919,470)	
On-behalf TPAF Premium				540,320	(540,320)	
Reimbursed TPAF Social Security Contributions (non-budgeted)				733,906	(733,906)	
TOTAL ON-BEHALF CONTRIBUTIONS				2,232,570	(2,232,570)	
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,576,562	56,009	4,632,571	6,456,757	(1,824,186)	
TOTAL UNDISTRIBUTED EXPENDITURES	15,338,823	829,780	16,168,603	16,293,986	(125,383)	
TOTAL GENERAL CURRENT EXPENSE	26,205,058	2,348,194	28,553,252	26,899,057	1,654,195	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual	
CAPITAL OUTLAY						
Equipment:						
Autism	7,500	(7,150)	350		350	
Undist. Expend.-Admin Info Tech.	10,000	5,500	15,500	5,926	9,574	
Undist. Expend.-Custodial Services	19,000		19,000		19,000	
Undist. Expend.-Care and Upkeep of Grounds	19,000	(5,500)	13,500		13,500	
Undist. Expend.- Security	71,000		71,000	62,320	8,680	
Total Equipment	126,500	(7,150)	119,350	68,246	51,104	
Facilities Acquisition and Construction Services						
Architectural/Engineering Services	27,680	10,908	38,588	23,794	14,794	
Other Purchased Professional and Technical Services	80,000		80,000	9,584	70,416	
Construction Services	264,700	106,288	370,988	135,043	235,945	
Supplies & Materials	100,000		100,000		100,000	
Assessment for Debt Service SDA Funding	17,762		17,762	17,762		
Total Facilities Acquisition and Construction Services	490,142	117,196	607,338	186,183	421,155	
Assets Acquired Under Capital Leases (non-budgeted)						
Undistributed Expenditures						
Instructional Equipment						
TOTAL CAPITAL OUTLAY	616,642	110,046	726,688	254,429	472,259	
TOTAL EXPENDITURES	26,821,700	2,458,240	29,279,940	27,153,486	2,126,454	
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(3,088,926)	(2,458,240)	(5,547,166)	(331,939)	5,215,227	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Transfers/ Adjustments	Final Budget	14-15 Actual	Variance Final to Actual	
Other Financing Sources/(Uses):						
Operating Transfer In (Out):						
Increase in Capital Reserve	(11,659)		(11,659)		11,659	
Transfer to Capital Project Fund	(704,000)	346,773	(357,227)	(354,000)	3,227	
Total Other Financing Sources/(Uses):	(715,659)	346,773	(368,886)	(354,000)	14,886	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3,804,585)	(2,111,467)	(5,916,052)	(685,939)	5,230,113	
Fund Balance, July 1	11,847,734		11,847,734	11,847,734		
Fund Balance, June 30	8,043,149	(2,111,467)	5,931,682	11,161,795	5,230,113	
Reconciliation:						
Adjustment for prior years encumbrances		(2,461,467)	(2,461,467)	(2,461,467)		
Transfer to Capital Reserve		660,416	660,416	660,416		
Transfer to Maintenance Reserve		200,000	200,000	200,000		
Withdrawal from Capital Reserve Principal	(704,000)	350,000	(354,000)	(354,000)		
Withdrawal from Maintenance Reserve Principal	(458,000)		(458,000)	(458,000)		
Budgeted Fund Balances	(2,642,585)	(660,416)	(3,303,001)	1,927,112	5,230,113	
Total	(3,804,585)	(1,911,467)	(5,716,052)	(485,939)	5,230,113	
Restricted Fund Balance:						
Capital Reserve				2,348,486		
Maintenance Reserve				1,226,282		
Emergency Reserve				250,000		
Excess Surplus - Designated for Subsequent Year's Expenditures				2,009,291		
Excess Surplus - Current Year				2,021,509		
Assigned Fund Balance:						
Year-End Encumbrances				1,759,562		
Designated for Subsequent Year's Expenditures-ARRA/SEMI				28,589		
Designated for Subsequent Year's Expenditures-Fund Balance Appropriated				405,175		
Unassigned Fund Balance				1,112,901		
Total				11,161,795		
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(352,624)		
Fund Balance per Governmental Funds (GAAP)				10,809,171		

Tinton Falls School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		33,371	33,371	33,371	
State Sources	65,293	64,965	130,258	130,258	
Federal Sources	499,265	155,855	655,120	655,120	
Total Revenues	564,558	254,191	818,749	818,749	
EXPENDITURES:					
Instruction:					
Salaries of Teachers		4,626	101,586	101,586	
Salaries of Other Professional Staff	96,960				
Other Salaries for Instruction		(39,953)	67,645	67,645	
Purchased Professional - Educational Services	107,598				
Purchased Professional and Technical Services		9,914	9,914	9,914	
Other Purchased Services (400-500 series)		29,070	29,070	29,070	
General Supplies		26,427	26,427	26,427	
Textbooks		9,258	9,258	9,258	
Other Objects		39,342	243,900	243,900	
Total Instruction	204,558	39,342	243,900	243,900	
Support Services:					
Salaries		13,776	13,776	13,776	
Personal Services - Employee Benefits		19,789	19,789	19,789	
Purchased Professional & Technical Services		15,417	15,417	15,417	
Purchased Professional - Educational Services		88,414	88,414	88,414	
Purchased Technical Services		47,947	47,947	47,947	
Other Purchased Services (400-500 series)	360,000	28,478	388,478	388,478	
Supplies & Materials		1,028	1,028	1,028	
Other Objects					
Total Support Services	360,000	214,849	574,849	574,849	
Facilities Acquisition and Const. Serv.:					
Instructional Equipment					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	564,558	254,191	818,749	818,749	
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, 2015**

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]	26,821,547	818,749
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.		351,146	
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).		(352,624)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	26,820,069	818,749
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	27,153,486	818,749
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 financial reporting 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]	27,153,486	818,749

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Tinton Falls School District
 Schedules of Required Supplementary Information
 Schedule of District's Share of Net Pension Liability - PERS
 Last 10 Fiscal Years*

	2015
Districts proportion of the net pension liability (asset)	0.0289024950%
District's proportionate share of the net pension liability (asset)	\$ 5,411,338
District's covered payroll - PERS	\$ 1,982,147
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	273.00%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Tinton Falls School District
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
Last 10 Fiscal Years*

	2015
Contractually required contribution	\$ 238,268.00
Contributions in relation to the contractually required contribution	\$ (238,268.00)
Contribution deficiency (excess)	\$ -
District's covered payroll - PERS	\$ 1,982,147
Contributions as a percentage of covered payroll	12.02%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Tinton Falls School District
 Schedules of Required Supplementary Information
 Schedule of District's Share of Net Pension Liability - TPAF
 Last 10 Fiscal Years*

	2015
Districts proportion of the net pension liability (asset)	0.1084254465%
District's proportionate share of the net pension liability (asset)	\$ 57,949,872
District's covered payroll - PERS	\$ 9,802,382
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	591.18%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Tinton Falls School District
Note to Required Schedules of Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

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, 2015

	Total Brought Forward (Ex. E-1a)	Title I, Part A 2014-15	Title II, Part A 2014-15	Title III 2014-15	Totals 2015
REVENUES					
Local Sources	33,371				33,371
State Sources	130,258				130,258
Federal Sources	497,538	118,217	30,794	8,571	655,120
Total Revenues	661,167	118,217	30,794	8,571	818,749
EXPENDITURES:					
Instruction:					
Salaries of Teachers	7,598	87,884		6,104	101,586
Salaries of Other Professional Staff					
Other Salaries for Instruction	67,645				67,645
Purchased Professional - Educational Services		9,914			9,914
Purchased Professional and Technical Services		2,490		2,467	29,070
Other Purchased Services (400-500 series)	24,113				26,427
General Supplies	26,427				9,258
Textbooks	9,258				
Other Objects					
Total Instruction	135,041	100,288		8,571	243,900
Support Services:					
Salaries	13,776				13,776
Personal Services - Employee Benefits	1,860	17,929			19,789
Purchased Professional & Technical Services	15,417				15,417
Purchased Professional - Educational Services	88,414				88,414
Purchased Technical Services	47,947				47,947
Other Purchased Services (400-500 series)	358,712		29,766		388,478
Supplies & Materials			1,028		1,028
Other Objects					
Total Support Services	526,126	17,929	30,794		574,849
Facilities Acquisition and Const. Serv.:					
Instructional Equipment					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	661,167	118,217	30,794	8,571	818,749
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

Tinton Falls School District
Special Revenue Fund
Combing Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	IDEA Part B, Basic 2014-15	IDEA Preschool 2014-15	Non-Public Home Instruction	Non-Public Initial Exam	Total Carried Forward
REVENUES						
Local Sources	33,371					33,371
State Sources	106,335		14,794	1,246	22,677	130,258
Federal Sources	-	482,744				497,538
Total Revenues	139,706	482,744	14,794	1,246	22,677	661,167
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	7,598				7,598
Salaries of Other Professional Staff	-					-
Other Salaries for Instruction	-					-
Purchased Professional - Educational Services	-	67,645				67,645
Purchased Professional and Technical Services	-					-
Other Purchased Services (400-500 series)	-					-
General Supplies	24,113					24,113
Textbooks	26,427					26,427
Other Objects	9,258					9,258
Total Instruction	59,798	75,243	-	-	-	135,041
Support services:						
Salaries	-		13,776			13,776
Personal Services - Employee Benefits	-	842	1,018			1,860
Purchased Professional & Technical Services	15,417					15,417
Purchased Professional - Educational Services	64,491			1,246	22,677	88,414
Purchased Technical Services	-	47,947				47,947
Other Purchased Services (400-500 series)	-	358,712				358,712
Supplies & Materials	-					-
Other Objects	-					-
Total Support Services	79,908	407,501	14,794	1,246	22,677	526,126
Facilities Acquisition and Const. Serv.:						
Instructional Equipment	-					-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-
Total Expenditures	139,706	482,744	14,794	1,246	22,677	661,167
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, 2015

	Ch. 193 - Handicapped Services							
	Nonpublic Technology Aid	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Annual Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Local Sources	Total Carried Forward
REVENUES								
Local Sources	15,417	26,427	39,311	4,693	9,188	11,299	33,371	33,371
State Sources								106,335
Federal Sources								-
Total Revenues	15,417	26,427	39,311	4,693	9,188	11,299	33,371	139,706
EXPENDITURES:								
Instruction:								
Salaries of Teachers								-
Salaries of Other Professional Staff								-
Other Salaries for Instruction								-
Purchased Professional - Educational Services								-
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)							24,113	24,113
General Supplies		26,427					9,258	26,427
Textbooks								9,258
Other Objects								-
Total Instruction	-	26,427	-	-	-	-	33,371	59,798
Support Services:								
Salaries								-
Personal Services - Employee Benefits								-
Purchased Professional & Technical Services	15,417		39,311	4,693	9,188	11,299		15,417
Purchased Professional - Educational Services								64,491
Purchased Technical Services								-
Other Purchased Services (400-500 series)								-
Supplies & Materials								-
Other Objects								-
Total Support Services	15,417	-	39,311	4,693	9,188	11,299	-	79,908
Facilities Acquisition and Const. Serv.:								
Instructional Equipment								-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-	-
Total Expenditures	15,417	26,427	39,311	4,693	9,188	11,299	33,371	139,706
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, 2015**

Revenues and Other Financing Sources

State Sources - SCC Grant	\$	1,330,589
Bond proceeds and transfers		
Interest on Investments		3,865
Transfer from capital reserve		354,000
Transfer from capital outlay		-
Total revenues		1,688,454

Expenditures and Other Financing Uses

Purchased professional and technical services		-
Land and Improvements		-
Construction Services		176,737
Equipment Purchases		-
Total expenditures		176,737
Excess (deficiency) of revenues over (under) expenditures		1,511,717
Transfers out		(3,865)
Fund balance - beginning		2,212,246
Fund balance - ending	\$	3,720,098

Recapitulation:

Unrestricted Fund Balance		3,720,098
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		(1,259,894)
Fund Balance per Governmental Funds (GAAP)		2,460,204

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, 2015

	<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	403,367	-	403,367	403,367
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	393,158	-	393,158	403,367
Excess (deficiency) of revenues over (under) expenditures	\$ 10,209	\$ -	\$ 10,209	\$ -

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, 2015

	<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, 2015**

	<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	<u>123,126</u>	<u>-</u>	<u>123,126</u>	<u>123,126</u>
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	<u>119,306</u>	<u>-</u>	<u>119,306</u>	<u>123,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,820</u>	<u>\$ -</u>	<u>\$ 3,820</u>	<u>\$ -</u>

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
Tinton Falls Middle School Fire Alarm
For the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - 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, 2015

	<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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,074,023	\$ 529,177	\$ 1,603,200	\$ 1,603,200
Bond proceeds and transfers	1,627,000		1,627,000	1,627,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	778,862		778,862	778,862
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,479,885</u>	<u>529,177</u>	<u>4,009,062</u>	<u>4,009,062</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	151,408		151,408	151,408
Land and Improvements	-	-	-	-
Construction Services	2,533,650		2,533,650	2,533,650
Equipment purchases	-	-	-	-
Total expenditures	<u>2,685,058</u>	<u>-</u>	<u>2,685,058</u>	<u>2,685,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 794,827</u>	<u>\$ 529,177</u>	<u>\$ 1,324,004</u>	<u>\$ 1,324,004</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	\$4,009,062			
Percentage Increase over Original Authorized Cost	0.03%			
Percentage completion	66.97%			
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,137,058	\$ 269,662	\$ 1,406,720	\$ 1,406,720
Bond proceeds and transfers	1,336,480		1,336,480	1,336,480
Contribution from private source	-	-	-	-
Transfer from capital reserve	789,325		789,325	789,325
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,262,863</u>	<u>269,662</u>	<u>3,532,525</u>	<u>3,532,525</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	139,027		139,027	139,027
Land and Improvements	-	-	-	-
Construction Services	2,703,619		2,703,619	2,703,619
Equipment purchases	-	-	-	-
Total expenditures	<u>2,842,646</u>	<u>-</u>	<u>2,842,646</u>	<u>2,842,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 420,217</u>	<u>\$ 269,662</u>	<u>\$ 689,879</u>	<u>\$ 689,879</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	\$3,532,525
Percentage Increase over Original Authorized Cost	0.45%
Percentage completion	80.47%
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, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 220,732	\$ 140,148	\$ 360,880	\$ 360,880
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>762,052</u>	<u>140,148</u>	<u>902,200</u>	<u>902,200</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	50,654		50,654	50,654
Land and Improvements	-	-	-	-
Construction Services	501,178		501,178	501,178
Equipment purchases	-	-	-	-
Total expenditures	<u>551,832</u>	<u>-</u>	<u>551,832</u>	<u>551,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 210,220</u>	<u>\$ 140,148</u>	<u>\$ 350,368</u>	<u>\$ 350,368</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	61.17%
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 572,398	\$ 155,602	\$ 728,000	\$ 728,000
Bond proceeds and transfers	1,061,200		1,061,200	1,061,200
Contribution from private source	-	-	-	-
Transfer from capital reserve	68,854		68,854	68,854
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,702,452</u>	<u>155,602</u>	<u>1,858,054</u>	<u>1,858,054</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	72,518		72,518	72,518
Land and Improvements	-	-	-	-
Construction Services	1,358,477		1,358,477	1,358,477
Equipment purchases	-	-	-	-
Total expenditures	<u>1,430,995</u>	<u>-</u>	<u>1,430,995</u>	<u>1,430,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 271,457</u>	<u>\$ 155,602</u>	<u>\$ 427,059</u>	<u>\$ 427,059</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	\$1,858,054
Percentage Increase over Original Authorized Cost	2.09%
Percentage completion	77.02%
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
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>339,500</u>	<u>-</u>	<u>339,500</u>	<u>339,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	13,987		13,987	13,987
Land and Improvements	-	-	-	-
Construction Services	267,041		267,041	267,041
Equipment purchases	-	-	-	-
Total expenditures	<u>281,028</u>	<u>-</u>	<u>281,028</u>	<u>281,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 58,472</u>	<u>\$ -</u>	<u>\$ 58,472</u>	<u>\$ 58,472</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	82.78%
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
Security Upgrades to Mahala F. Atchison Elementary School
For the Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
Bond proceeds and transfers			-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve		120,000	120,000	120,000
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and Improvements	-	-	-	-
Construction Services		56,846	56,846	56,846
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>56,846</u>	<u>56,846</u>	<u>56,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 143,154</u>	<u>\$ 143,154</u>	<u>\$ 143,154</u>

Additional project information:

Project Number	5185-030-14-G2DY
Grant Date	2014
Original Authorized Cost	\$200,000
Revised Authorized Cost	\$200,000

Tinton Falls School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Security Upgrades to Swimming River Elementary School
 For the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 76,000	\$ 76,000	\$ 76,000
Bond proceeds and transfers			-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve		114,000	114,000	114,000
Transfer from capital outlay	-	-	-	-
Total revenues	-	190,000	190,000	190,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and Improvements	-	-	-	-
Construction Services		50,536	50,536	50,536
Equipment purchases	-	-	-	-
Total expenditures	-	50,536	50,536	50,536
Excess (deficiency) of revenues over (under) expenditures	\$ 58,472	\$ 139,464	\$ 139,464	\$ 139,464

Additional project information:

Project Number	5185-050-14-G2DZ
Grant Date	2014
Original Authorized Cost	\$190,000
Revised Authorized Cost	\$190,000

**Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Security Upgrades to Tinton Falls Middle School
For the Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
Bond proceeds and transfers			-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve		120,000	120,000	120,000
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and Improvements	-	-	-	-
Construction Services		69,355	69,355	69,355
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>69,355</u>	<u>69,355</u>	<u>69,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 130,645</u>	<u>\$ 130,645</u>	<u>\$ 130,645</u>

Additional project information:

Project Number	5185-070-14-G2EA
Grant Date	2014
Original Authorized Cost	\$200,000
Revised Authorized Cost	\$200,000

PROPRIETARY FUNDS

Tinton Falls School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	92,408	563,922	589,642	1,245,972
Accounts Receivable:				
State	918			918
Federal	26,324			26,324
Interfund-Accounts Receivable	30,634			30,634
Inventory	3,331			3,331
Total Current Assets	<u>153,615</u>	<u>563,922</u>	<u>589,642</u>	<u>1,307,179</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	31,316			31,316
Less Accumulated Depreciation	<u>(25,053)</u>			<u>(25,053)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,263</u>	-	-	<u>6,263</u>
Total Assets	<u><u>159,878</u></u>	<u><u>563,922</u></u>	<u><u>589,642</u></u>	<u><u>1,313,442</u></u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	25,960	12,209	10,453	48,622
Deferred Revenue	9,220			9,220
Total Current Liabilities	<u>35,180</u>	<u>12,209</u>	<u>10,453</u>	<u>57,842</u>
Total Liabilities	<u>35,180</u>	<u>12,209</u>	<u>10,453</u>	<u>57,842</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	6,263			6,263
Unrestricted	118,435	551,713	579,189	1,249,337
Total Net Position	<u><u>124,698</u></u>	<u><u>551,713</u></u>	<u><u>579,189</u></u>	<u><u>1,255,600</u></u>

- - -

Tinton Falls School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2015

	Food Service Program	Time + Program	Kindergarten Enrichment Program	Totals
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	180,559			180,559
Daily Sales - Non-Reimbursable Programs	97,369			97,369
Miscellaneous	5,763	223,829	192,239	421,831
Total Operating Revenues	<u>283,691</u>	<u>223,829</u>	<u>192,239</u>	<u>699,759</u>
Operating Expenses:				
Cost of Sales	221,918			221,918
Labor	182,777	144,607	92,438	419,822
Supplies and Materials	33,259	3,675	685	37,619
Employee Benefits	10,948	10,128	6,932	28,008
Miscellaneous Expense	6,536	732		7,268
Depreciation	1,044			1,044
Total Operating Expenses	<u>456,482</u>	<u>159,142</u>	<u>100,055</u>	<u>715,679</u>
Operating Income (Loss)	<u>(172,791)</u>	<u>64,687</u>	<u>92,184</u>	<u>(15,920)</u>
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,727			4,727
Federal Sources:				
National School Lunch Program	130,452			130,452
National School Breakfast Program	4,106			4,106
Food Distribution Program	31,494			31,494
Total Non-operating Revenues (Expenses)	<u>170,779</u>	<u>-</u>	<u>-</u>	<u>170,779</u>
Income (Loss) Before Contributions & Transfers	<u>(2,012)</u>	<u>64,687</u>	<u>92,184</u>	<u>154,859</u>
Transfers In (Out)				
Change in Net Position	<u>(2,012)</u>	<u>64,687</u>	<u>92,184</u>	<u>154,859</u>
Total Net Position - Beginning	<u>126,710</u>	<u>487,026</u>	<u>487,005</u>	<u>1,100,741</u>
Total Net Position—Ending	<u><u>124,698</u></u>	<u><u>551,713</u></u>	<u><u>579,189</u></u>	<u><u>1,255,600</u></u>

Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015

	<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	285,671	223,829	154,674	664,174
Payments to employees		(144,607)	(83,673)	(228,280)
Payments for Miscellaneous Expenses	(6,536)	(2,735)	(7,617)	(16,888)
Payments to Food Service Management Company	(442,123)			(442,123)
Net Cash Provided by (Used for) Operating Activities	<u>(162,988)</u>	<u>76,487</u>	<u>63,384</u>	<u>(23,117)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	4,762			4,762
Federal Sources	167,419			167,419
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>172,181</u>	<u>-</u>	<u>-</u>	<u>172,181</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund				-
Net Cash Provided by (Used for) Capital Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,193	76,487	63,384	149,064
Balances—Beginning of Year	83,215	487,435	526,258	1,096,908
Balances—End of Year	<u>92,408</u>	<u>563,922</u>	<u>589,642</u>	<u>1,245,972</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided				
(Used) by Operating Activities:				
Operating Income (Loss)	(172,791)	64,687	92,184	(15,920)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:				
Depreciation	1,044			1,044
Increase (Decrease) in Deferred Revenue	1,980		(37,565)	(35,585)
(Increase) Decrease in Inventory	1,807			1,807
Increase (Decrease) in Accounts Payable	4,972	11,800	8,765	25,537
Total Adjustments	<u>9,803</u>	<u>11,800</u>	<u>(28,800)</u>	<u>(7,197)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(162,988)</u>	<u>76,487</u>	<u>63,384</u>	<u>(23,117)</u>

FIDUCIARY FUND

Tinton Falls School District
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	73,487
Total assets	<u>73,487</u>
LIABILITIES	
Payable to student groups	45,312
Payroll deductions and withholdings	<u>28,175</u>
Total liabilities	<u>73,487</u>
NET POSITION	<u><u>-</u></u>

**Tinton Falls School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015**

N/A

**Tinton Falls School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
ELEMENTARY SCHOOLS:				
Atchinson	21,702	2,533	2,136	22,099
Swimming River	9,563	3,783	4,086	9,260
Tinton Falls	12,007	20,656	18,710	13,953
Tinton Falls Athletic Fund	-	9,195	9,195	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>43,272</u>	<u>36,167</u>	<u>34,127</u>	<u>45,312</u>

**Tinton Falls School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll	3	8,330,887	8,330,879	11
Payroll Deductions and Withholdings	20,528	6,354,555	6,346,919	28,164
	<u>20,531</u>	<u>14,685,442</u>	<u>14,677,798</u>	<u>28,175</u>

LONG-TERM DEBT

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2015**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance					
			Date	Amount		July 1, 2014	June 30, 2015				
School Refunding Bonds of 2004	7/15/2004	\$ 13,295,000	10/15/2015	1,285,000	5.000%	3,420,000					
			10/15/2016	870,000				1,265,000			
School Refunding Bonds of 2011	7/7/2011	\$ 2,150,000	3/15/2016	235,000	4.000%						
			3/15/2017	240,000				4.000%			
			3/15/2018	255,000					5.000%		
			3/15/2019	265,000						5.000%	
			3/15/2020	270,000							5.000%
			3/15/2021	270,000							
3/15/2022	265,000	3.250%									
			2,025,000	225,000	1,800,000						

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2015**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance	
						July 1, 2014	June 30, 2015
School Bonds of 2011	2/1/2011	\$ 4,768,000	3/15/2016	190,000	3.000%		
			3/15/2017	195,000	3.000%		
			3/15/2018	205,000	3.000%		
			3/15/2019	210,000	3.000%		
			3/15/2020	220,000	3.250%		
			3/15/2021	225,000	3.250%		
			3/15/2022	240,000	3.500%		
			3/15/2023	245,000	4.000%		
			3/15/2024	255,000	4.000%		
			3/15/2025	265,000	4.000%		
			3/15/2026	275,000	4.000%		
			3/15/2027	285,000	4.000%		
			3/15/2028	300,000	4.125%		
			3/15/2029	310,000	4.250%		
			3/15/2030	325,000	4.250%		
			3/15/2031	328,000	4.250%		
						4,258,000	185,000
						<u>9,703,000</u>	<u>1,675,000</u>
							<u>4,073,000</u>
							<u>8,028,000</u>

Exhibit I-2

**Tinton Falls School District
 General Long Term Debt Account Group
 Statement of Obligations under Capital Leases
 June 30, 2015**

SERIES	Amount Outstanding on July 1, 2014	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2015
Xerox Copiers	109,151		27,288	81,863
TOTAL	109,151	-	27,288	81,863

**Tinton Falls School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	2,008,505	-	2,008,505	2,008,505	-
State Sources:					
Debt Service Aid Type II	48,991	-	48,991	48,991	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenues	2,057,496	-	2,057,496	2,057,496	-
EXPENDITURES:					
Regular Debt Service:					
Interest	387,703	-	387,703	387,703	-
Redemption of Principal	1,675,000	-	1,675,000	1,675,000	-
Total Regular Debt Service	2,062,703	-	2,062,703	2,062,703	-
Total expenditures	2,062,703	-	2,062,703	2,062,703	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,207)	-	(5,207)	(5,207)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	3,865	3,865
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,207)	-	(5,207)	(1,342)	3,865
Fund Balance, July 1	9,404	-	9,404	9,404	-
Fund Balance, June 30	4,197	-	4,197	8,062	3,865

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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- 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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Debt Capacity

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Demographic and Economic Information

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- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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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, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	5,938,317	6,894,281	7,547,803	8,362,663	9,983,688	8,045,100	12,239,035	15,185,862	16,413,404	16,993,755
Restricted	8,532,105	9,972,636	11,007,314	10,619,042	9,680,083	14,666,358	13,389,529	9,452,784	10,128,673	10,323,834
Unrestricted	370,562	10,840	107,311	560,969	110,138	(39,857)	48,971	3,141,906	2,973,257	(2,960,149)
Total Governmental Activities Net Position	14,840,984	16,877,757	18,662,428	19,542,674	19,773,909	22,671,601	25,677,535	27,780,552	29,515,334	24,357,440
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	-	9,394	8,350	7,307	6,263
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	243,527	322,198	390,501	474,656	580,555	689,404	777,445	935,275	1,093,434	1,249,337
Total Business-type Activities Net Position	243,527	322,198	390,501	474,656	580,555	689,404	786,839	943,625	1,100,741	1,255,600
District-wide										
Invested in Capital Assets, Net of Related Debt	5,938,317	6,894,281	7,547,803	8,362,663	9,983,688	8,045,100	12,248,429	15,194,212	16,420,711	17,000,018
Restricted	8,532,105	9,972,636	11,007,314	10,619,042	9,680,083	14,666,358	13,389,529	9,452,784	10,128,673	10,323,834
Unrestricted	614,089	333,038	497,812	1,036,625	690,693	649,547	826,416	4,077,181	4,066,691	(1,710,812)
Total District Net Position	15,084,511	17,289,955	19,052,929	20,017,330	20,354,464	23,361,005	26,464,374	28,724,177	30,616,075	25,613,040

Source: District Audits

Note: The assigned reserve for encumbrances were included in unrestricted for FY 2013 and 2014, prior to that it was included in the restricted dollar amounts.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	6,901,858	7,138,074	7,314,967	7,663,566	7,438,363	7,155,788	7,657,700	7,727,613	7,111,079	7,662,108
Special Education	1,952,497	2,131,103	2,366,441	2,462,588	2,059,213	1,869,541	2,268,751	2,163,019	2,245,663	2,646,554
Other Special Instruction	245,636	379,976	379,837	374,905	317,664	279,564	373,591	406,369	428,882	425,761
Other Instruction	97,548	104,979	113,457	111,262	124,842	112,936	115,722	117,308	123,080	171,835
Support Services:										
Tuition	932,772	728,272	666,895	554,227	544,104	538,468	457,644	540,165	472,421	547,665
Student & Instruction Related Services	2,275,081	2,442,347	2,648,756	2,888,643	2,905,887	2,762,055	2,903,659	3,309,953	3,446,431	4,271,609
General Administrative Services	608,983	605,198	617,402	589,948	582,216	634,441	541,409	532,366	575,136	556,687
School Administrative Services	795,663	799,893	822,457	887,085	908,499	923,854	942,805	908,650	915,384	978,620
Central Services & Admin. Info. Technology	296,097	269,227	329,273	326,551	389,127	384,650	430,472	385,938	360,903	422,291
Plant Operations and Maintenance	1,709,152	1,921,887	1,936,764	1,985,540	1,843,435	1,745,891	1,659,335	1,713,986	1,770,799	1,830,685
Pupil Transportation	1,698,862	1,723,554	1,845,817	1,929,737	1,853,934	1,712,608	1,639,865	1,542,468	1,603,811	1,801,115
Business and Other Support Services	-	4,564,022	4,700,705	4,352,444	4,465,189	4,517,516	4,993,625	6,047,880	6,189,116	9,029,891
Unallocated Benefits	96,910	194,514	683,791	628,340	568,946	569,882	536,127	507,278	441,297	347,834
Capital outlay-undepreciable	864,622	729,938	705,673	725,378	779,482	813,818	934,218	1,147,000	1,251,235	1,454,699
Interest on Long-term Debt	634,267	688,281	705,673	725,378	779,482	813,818	934,218	1,147,000	1,251,235	1,454,699
Unallocated Depreciation	22,952,665	24,164,751	25,326,749	25,480,214	24,826,589	24,031,181	25,467,865	27,067,755	26,952,999	32,164,589
Total Governmental Activities Expenses	22,952,665	24,164,751	25,326,749	25,480,214	24,826,589	24,031,181	25,467,865	27,067,755	26,952,999	32,164,589
Business-type Activities:										
Food Service	462,949	451,519	457,132	466,979	457,353	444,806	487,597	452,665	445,823	456,482
Time+	180,683	181,478	159,006	155,410	151,532	167,828	144,880	158,016	145,455	159,142
Kindergarten Enrichment Program	88,498	83,920	95,545	104,650	94,042	89,080	99,501	100,954	93,265	100,055
Total Business-type Activities Expenses	732,130	716,917	711,683	727,039	702,927	701,714	731,978	711,635	684,543	715,679
Total District Expenses	23,684,795	24,881,668	26,038,432	26,207,253	25,529,516	24,732,895	26,199,843	27,779,390	27,637,542	32,880,268
Program Revenues										
Governmental Activities:										
Operating and Capital Grants and Contributions	1,756,665	1,816,327	1,758,617	1,890,794	1,508,265	1,459,399	2,691,591	2,520,762	2,640,958	1,792,817
Total Governmental Activities Program Revenues	1,756,665	1,816,327	1,758,617	1,890,794	1,508,265	1,459,399	2,691,591	2,520,762	2,640,958	1,792,817
Business-type Activities:										
Charges for Services:										
Food Service	307,769	366,895	365,812	362,350	373,031	363,976	346,008	348,374	309,023	283,691
Operating Grants and Contributions	116,315	108,083	95,513	97,248	105,729	114,424	124,028	138,602	153,371	170,779
Kindergarten Enrichment	206,818	117,263	131,349	132,520	154,829	155,968	158,418	157,990	163,015	192,239
Time+	630,902	205,819	199,119	181,697	174,326	174,458	182,109	184,447	243,012	223,829
Total Business-type Activities Program Revenues	630,902	798,060	791,793	773,815	807,915	808,826	810,563	829,413	868,421	870,538
Total District Program Revenues	2,387,567	2,614,387	2,550,410	2,664,609	2,316,180	2,268,225	3,502,154	3,350,175	3,509,379	2,663,355

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	(21,196,000)	(22,348,424)	(23,568,132)	(23,589,420)	(23,318,324)	(22,571,782)	(22,776,274)	(24,546,993)	(24,312,041)	(30,371,772)
Business-type Activities	(101,228)	81,143	80,110	46,776	104,988	107,112	78,585	117,778	183,878	154,859
Total District-wide Net Expense	(21,297,228)	(22,267,281)	(23,488,022)	(23,542,644)	(23,213,336)	(22,464,670)	(22,697,689)	(24,429,215)	(24,128,163)	(30,216,913)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	16,421,264	16,172,448	16,576,450	17,282,133	17,580,444	17,680,228	18,387,437	18,755,185	19,016,660	20,115,792
Taxes Levied for Debt Service	1,891,837	1,910,667	1,745,469	1,781,871	1,723,472	1,527,327	1,535,406	1,880,554	1,827,908	2,008,505
Unrestricted Federal and State Aid	4,876,823	5,128,948	5,330,029	5,563,284	5,146,911	4,134,280	4,201,864	5,065,716	5,541,513	8,092,232
Tuition Received	57,611	108,374	167,380	134,678	100,582	136,707	34,161	93,011	58,954	197,953
Interest on Investments	146,666	314,282	589,576	430,984	130,048	39,121	26,928	14,410	8,160	102,628
Miscellaneous Income	390,764	31,076	40,379	111,742	81,683	65,459	51,486	89,999	71,166	
Loss on refunding of long-term debt	(120,000)							54,162		
Capital Asset Adjustment				(167,895)	106,032	15,303				
Gain / (Loss) on Disposal of Assets	(16,334)	(18,081)	(18,306)	(6,171)	(16,977)				5,452	
Transfers			(3,795)							
Total Governmental Activities	23,648,631	23,647,714	24,427,182	25,130,626	24,852,195	23,598,425	24,237,282	25,953,037	26,529,813	30,517,110
Business-type Activities:										
Transfers	16,334	18,081	3,795	6,171	3,279					
Total Business-type Activities	16,334	18,081	3,795	6,171	3,279					
Total District-wide	23,664,965	23,665,795	24,430,977	25,136,797	24,855,474	23,598,425	24,237,282	25,953,037	26,529,813	30,517,110
Change in Net Position										
Governmental Activities	2,452,631	1,299,290	859,050	1,541,206	1,533,871	1,026,643	1,461,008	1,406,044	2,217,772	145,338
Business-type Activities	(84,894)	99,224	83,905	52,947	108,267	107,112	78,585	117,778	183,878	154,859
Total District	2,367,737	1,398,514	942,955	1,594,153	1,642,138	1,133,755	1,539,593	1,523,822	2,401,650	300,197

Source: District Audits

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	6,727,809	8,448,729	9,518,854	9,205,113	8,543,862					
Unreserved	863,981	636,579	754,923	1,209,313	475,869					
Restricted						5,602,013	6,932,097	6,815,872	7,905,907	7,855,568
Assigned						2,763,846	2,530,453	3,055,392	2,985,905	2,193,326
Unassigned						703,474	674,684	741,512	604,776	760,277
Total General fund	7,591,790	9,085,308	10,273,777	10,414,426	9,019,731	9,069,333	10,137,234	10,612,776	11,496,588	10,809,171
All Other Governmental Funds										
Reserved	196,171	88,650								
Unreserved, Reported in:										
Special Revenue Fund	(2,934)	(2,934)								
Capital Projects Fund	1,446,765	1,332,264	1,420,914	1,401,637	1,405,888					
Debt Service	164,294	105,927	67,546	12,292	1,681					
Restricted, Reported in:										
Capital Projects Fund						6,296,540	3,873,604	2,582,143	2,212,246	2,460,204
Debt Service Fund						3,959	53,375	54,769	9,404	8,062
Total All Other Governmental Funds	1,804,296	1,523,907	1,488,460	1,413,929	1,407,569	6,300,499	3,926,979	2,636,912	2,221,650	2,468,266

Source: District Audits

BOROUGH OF TINTON FALLS SCHOOLS DISTRICT

**Governmental Fund Expenditures by Function
Last Ten Fiscal Years
(modified accrual/basis of accounting)
Unaudited**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	18,083,115	18,321,919	19,064,004	19,303,916	19,207,555	19,922,843	20,635,739	20,844,568	21,483,097	22,124,297
Other Local Revenue	456,529	2,131,103	2,366,441	329,309	256,445	195,894	197,420	229,506	168,305	300,581
State Sources	5,993,138	6,344,483	6,549,403	5,710,103	4,740,322	5,966,111	6,801,088	7,295,646	6,385,646	6,583,007
Federal Sources	949,340	744,163	904,675	928,077	838,199	844,025	751,702	795,600	642,468	762,989
Total Revenues	25,482,122	25,410,565	27,195,486	26,271,405	25,042,521	26,928,873	28,385,949	29,165,320	28,689,516	29,770,874
Expenditures										
Instruction:										
Regular	6,748,640	6,995,405	7,185,127	7,536,311	7,333,207	7,079,836	7,591,154	7,700,597	7,086,213	7,604,821
Special	1,952,497	2,131,103	2,366,441	2,462,588	2,059,213	1,869,541	2,268,751	2,163,019	2,245,663	2,646,554
Other Special Instruction	245,636	317,976	379,837	374,905	317,664	279,564	373,591	406,369	428,882	425,761
Other Instruction	97,548	104,979	113,457	111,262	124,842	112,936	115,722	117,308	123,080	171,835
Support Services:										
Instruction - Tuition	932,772	728,272	666,895	554,227	544,104	521,532	443,585	540,165	472,421	547,665
Student Related Services	2,275,081	2,442,347	2,906,861	2,909,608	2,980,152	2,785,430	2,883,712	3,309,953	3,446,431	4,271,609
Instructional Staff										
General Administration	604,926	603,607	616,915	589,948	582,216	634,441	541,409	512,028	545,022	543,026
School Administration	795,663	799,893	822,457	887,085	908,499	923,854	942,805	908,650	915,384	978,620
Central Services & Admin. Info. Technology	296,097	269,227	329,273	326,551	389,127	384,650	430,472	385,938	388,191	449,579
Operations and Maintenance	1,822,399	1,919,984	1,934,547	1,940,740	1,841,218	1,738,765	1,648,346	1,749,202	1,758,067	1,820,464
Student Transportation	1,698,862	1,862,169	1,845,817	1,929,737	1,853,934	1,712,608	1,639,865	1,542,468	1,603,811	1,801,115
Business and Other Support Services										
Employee Benefits	3,794,652	4,421,489	4,668,448	4,318,657	4,483,265	4,459,981	5,072,247	6,004,770	6,213,400	6,456,757
Transfer to Charter School										
Capital Outlay	1,000,549	469,373	306,043	405,296	1,234,000	2,443,102	3,095,904	2,900,166	1,121,963	431,166
Debt Service:										
Principal	1,195,000	1,185,000	1,200,000	1,200,000	1,210,000	1,270,000	1,345,000	1,360,000	1,415,000	1,675,000
Interest and Other Charges	782,223	740,151	694,175	641,395	582,135	521,165	575,123	521,103	455,703	387,703
Total Governmental Fund Expenditures	24,242,545	24,990,975	26,036,293	26,188,310	26,443,576	26,737,405	28,981,746	30,121,736	28,219,231	30,211,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,239,577	419,590	1,159,193	83,095	(1,401,055)	191,468	(695,797)	(956,416)	470,285	(440,801)
Other Financing Sources (Uses)										
Operating Transfers In										
Operating Transfers Out	662,398	(3,795)	10,757	(16,977)	533,184	1,926,678	5,004	10,659	59,972	357,865
Proceeds from Borrowing	(680,479)		(16,928)		(633,184)	(1,943,614)	(5,004)	(5,207)	(61,707)	(357,865)
Payment to refunding escrow						4,768,000	(743,836)			
Capital Leases (non-budgeted)								136,439		
Total Other Financing Sources (Uses)	(18,081)	(3,795)	(6,171)	(16,977)		4,751,064	(709,822)	141,891	(1,735)	
Net Changes in Fund Balance	1,221,496	415,795	1,153,022	66,118	(1,401,055)	4,942,532	(1,305,619)	(814,525)	468,550	(440,801)
Debt Service as a percentage of noncapital expenditures	8.51%	7.85%	7.36%	7.14%	7.11%	7.37%	7.42%	6.91%	6.90%	6.93%

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>Miscellaneous</u>	<u>Total</u>
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
2012	93,011	9,406	56,311	158,728
2013	58,984	8,160	65,930	133,074
2014	72,534		62,121	134,655
2015	197,953	7,565	95,063	300,581

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.	Ci/ram	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)
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	41,155,900	930,617,300	2,938,700	198,100	191,731,300	15,274,600	97,242,400	1,279,168,300	0	1,444,988	1,280,603,288	1.447	2,985,510,952
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	3,722,499	2,922,487,599	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	526,100,300	35,757,400	239,172,900	2,868,152,900	0	4,457,320	2,872,610,220	0.703	3,094,264,906
2012	73,089,000	1,895,100,800	5,732,500	229,200	509,307,800	32,164,200	239,172,900	2,754,796,400	0	3,862,979	2,758,659,379	0.739	2,911,474,837
2013	76,574,400	1,894,145,300	5,732,500	229,200	506,907,300	32,164,200	239,172,900	2,754,925,800	0	3,862,979	2,758,788,779	0.763	2,863,000,331
2014	71,275,400	1,884,256,400	6,093,600	229,100	506,638,000	31,777,200	203,907,700	2,704,177,400	0	3,188,772	2,707,366,172	0.804	2,999,964,878

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
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years
 Unaudited

Shrewsbury Township:

Fiscal Year Ended June 30,	Vacant Land		Residential		Farm	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)
					Reg.										
2005	\$0	\$9,103,800	\$0	\$0	\$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	\$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	\$0	\$0	\$18,134,300	\$27,238,100	0	40,437	\$27,278,537	1.946	75,297,009
R 2008	\$0	\$24,964,700	\$0	\$0	\$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	\$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	\$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	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.637	69,659,242
2012	\$0	\$20,494,700	\$0	\$0	\$0	\$0	\$0	\$0	\$36,002,600	\$56,497,300	0	358,313	\$56,855,613	0.779	53,374,413
2013	\$0	\$20,494,700	\$0	\$0	\$0	\$0	\$0	\$0	\$36,002,600	\$56,497,300	0	358,313	\$56,855,613	0.776	60,896,723
2014	\$0	\$20,465,600	\$0	\$0	\$0	\$0	\$0	\$0	\$36,002,600	\$56,468,200	0	386,483	\$56,854,683	0.695	56,854,683

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	Monmouth County	
2005	1.266	0.146	1.412	1.412	0.793	0.611			3.416
2006	1.262	0.149	1.411	1.411	0.797	0.785			3.590
2007	1.333	0.114	1.447	1.447	0.824	0.785			3.683
R 2008	0.586	0.644	0.644	0.644	0.369	0.363			1.679
2009	0.569	0.054	0.623	0.623	0.336	0.410			1.646
2010	0.592	0.056	0.648	0.648	0.344	0.416			1.693
2011	0.649	0.054	0.703	0.703	0.366	0.439			1.808
2012	0.672	0.067	0.739	0.739	0.409	0.464			1.917
2013	0.693	0.070	0.763	0.763	0.406	0.477			1.960
2014	0.729	0.075	0.804	0.804	0.434	0.517			2.097

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	
2005	1.483	0.187	1.670	1.670	0.623	1.580			4.487
2006	1.613	0.193	1.806	1.806	0.724	1.760			4.965
2007	1.740	0.190	1.930	1.930	0.570	1.915			5.100
R 2008	0.655	0.060	0.715	0.715	0.322	0.859		0.015	2.176
2009	0.612	0.058	0.670	0.670	0.324	0.926		0.015	2.201
2010	0.606	0.057	0.663	0.663	0.315	1.019		0.014	2.278
2011	0.588	0.049	0.637	0.637	0.316	1.042		0.014	2.264
2012	0.701	0.078	0.779	0.779	0.469	1.327		0.014	2.664
2013	0.699	0.077	0.776	0.776	0.427	1.429		0.019	2.964
2014	0.644	0.051	0.695	0.695	0.451	1.462		0.017	2.911

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

	2014			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TF Campus LLC	\$159,490,400	1	5.90%	\$73,706,400	1	6.46%
CPG Tinton Falls Urban Renewal, LLC	\$142,895,800	2	5.28%			
Avalonbay Community Inc.	\$29,430,000	3	1.09%			
XPD (NJ), LLC	\$15,367,100	8	0.57%	\$22,053,600	2	1.93%
Stavola Realty Company	\$14,685,800	4	0.54%			
Hovsons, Inc.	\$13,550,000	6	0.50%	\$7,033,100	6	0.62%
Tinton Pines Construction Co.	\$13,434,500	5	0.50%	\$6,621,100	7	0.58%
Reidhass, LP	\$11,950,000	8	0.44%			
Sudler Monmouth LLC	\$11,873,100	9	0.44%			
New Plan Realty Trust	\$11,727,000	10	0.43%			
Tinton Telecom Center, LLC				\$12,000,000	3	1.05%
BT-NEWYO,LLC				\$8,967,500	4	0.79%
Kapson Tinton Falls Corp.				\$7,905,600	5	0.69%
Shrewsbury / 35 Associates, LLC				\$6,446,400	8	0.57%
HPTY Corp. (Marriot)				\$5,880,600	9	0.52%
Winn Ltd (Holiday Inn)				\$5,800,000	10	0.51%
	\$424,403,700		15.69%	\$156,414,300		13.72%

Source: Municipal Tax Assessor

Tinton Falls School District
Principal Property Taxpayers

Exhibit J-8b

Unaudited

SHREWSBURY TOWNSHIP

	2015			2004		
	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	21,187,000	1	0.78%	\$ 13,334,300	1	48.86%
Coolidge Shrewsbury, LLC	11,054,700	2	0.41%			
Bell Atlantic	403,243	3	0.01%	4,800,000	2	17.59%
Township of Shrewsbury			0.01%	861,000	3	3.16%
Taxpayer #1	330,100	4	0.01%	77,900	4	0.29%
Taxpayer #2	179,700	5	0.01%	77,900	5	0.29%
Taxpayer #3	179,700	6	0.01%	77,900	6	0.29%
Taxpayer #4	179,700	7	0.01%	77,900	7	0.29%
Taxpayer #5	179,700	8	0.01%	77,900	8	0.29%
Taxpayer #6	179,700	9	0.01%	77,900	9	0.29%
Taxpayer #7	179,700	10	0.01%	77,900	10	0.29%
Total	\$ 34,053,243		1.25%	\$ 19,540,600		71.64%

Source: Municipal Tax Assessor
N/A = Not Available

Tinton Falls School District
 Property Tax Levies and Collections,
 Last Ten 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	
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%	-
2012	20,203,280	20,203,280	100.00%	-
2013	20,401,832	20,401,832	100.00%	-
2014	21,046,655	21,046,655	100.00%	-
2015	21,766,123	21,766,123	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 Nine Fiscal Years**

Exhibit J-9b

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	
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%	-
2012	432,459	432,459	100.00%	-
2013	442,736	442,736	100.00%	-
2014	446,442	446,442	100.00%	-
2015	358,174	358,174	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		
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income ^a
2005	15,644,447	0	350,202	0	15,994,649	1.94%	883
2006	14,492,540	0	406,919	0	14,899,459	1.62%	762
2007	13,337,257	0	292,369	0	13,629,626	1.40%	704
2008	13,161,107	0	310,214	0	13,471,321	1.20%	688
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	1.07%	612
2011	14,289,380	0	85,480	0	14,374,860	1.38%	803
2012	12,228,440	0	45,808	0	12,274,248	1.12%	687
2013	10,881,187	0	136,439	0	11,017,626	0.97%	613
2014	9,508,940	0	109,151	0	9,618,091	N/A	N/A
2015	7,867,440	0	81,863	0	7,949,303	N/A	N/A

Shrewsbury Township:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income ^a
2006	370,460	0	406,919	0	777,379	1.46%	711
2007	335,743	0	292,369	0	628,112	1.13%	579
2008	331,893	0	310,214	0	642,107	1.06%	597
2009	302,940	0	218,865	0	521,805	0.89%	490
2010	266,041	0	128,435	0	394,476	0.61%	346
2011	291,620	0	85,480	0	377,100	0.57%	330
2012	249,560	0	45,808	0	295,368	0.43%	263
2013	236,813	0	136,439	0	373,252	0.53%	332
2014	194,060	0	109,151	0	303,211	N/A	N/A
2015	160,560	0	81,863	0	242,423	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 June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	14,492,540.00	-	14,492,540	1.15%	\$ 765
2007	13,337,257.00	-	13,337,257	1.04%	\$ 697
2008	13,161,107.00	-	13,161,107	0.45%	\$ 669
2009	11,990,060.00	-	11,990,060	0.40%	\$ 606
2010	10,816,959.00	-	10,816,959	0.36%	\$ 603
2011	14,289,380.00	-	14,289,380	0.50%	\$ 798
2012	12,228,440.00	-	12,228,440	0.44%	\$ 684
2013	10,881,186.00	-	10,881,186	0.39%	\$ 605
2014	9,508,940.00	-	9,508,940	0.35%	\$ 531
2015	7,867,440.00	-	7,867,440	N/A	N/A

Shrewsbury Township:

Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	370,460	-	370,460	1.36%	\$ 341
2007	335,743	-	335,743	1.23%	\$ 312
2008	331,893	-	331,893	0.46%	\$ 311
2009	302,940	-	302,940	0.42%	\$ 284
2010	266,041	-	266,041	0.37%	\$ 235
2011	291,620	-	291,620	0.40%	\$ 258
2012	249,560	-	249,560	0.44%	\$ 222
2013	236,813	-	236,813	0.42%	\$ 211
2014	194,060	-	194,060	0.34%	\$ 173
2015	160,560	-	160,560	N/A	N/A

N/A= Not Available

^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, 2014

Exhibit J-12

Borough of Tinton Falls

Debt repaid with property taxes

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Tinton Falls Borough (Net Debt)	\$ 21,368,430	100.0000%	\$ 21,368,430
Monmouth County General Obligation Debt (Net Debt)	428,759,490	2.732%	11,712,143
Monmouth Regional High School	5,614,000	58.527%	3,285,720
Tinton Falls School District Direct Debt	0		-
Authorized but not issued			
Outstanding	8,438,000	98.168%	8,283,425
Total direct and overlapping debt	\$ 44,649,718		\$ 44,649,718

Township of Shrewsbury

Debt repaid with property taxes

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Township of Shrewsbury (Net Debt)	\$ 1,361,971	100.0000%	\$ 1,361,971
Monmouth County General Obligation Debt	428,759,490	0.0500%	212,749
Monmouth Regional High School	5,614,000	1.092%	61,314
Shrewsbury Township School District Direct Debt	0		-
Authorized but not issued			
Outstanding	8,438,000	1.83%	154,575
Total direct and overlapping debt	\$ 1,790,609		\$ 1,790,609

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 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 65,566,677	\$ 77,535,619	\$ 88,710,399	\$ 95,234,386	\$ 97,548,534	\$ 97,336,153	\$ 97,336,153	\$ 92,776,495	\$ 90,915,352	\$ 90,765,367
Total net debt applicable to limit	15,878,000	14,693,000	13,493,000	12,478,000	11,278,000	14,786,000	12,478,000	13,108,000	10,513,000	9,703,000
Legal debt margin	\$ 49,688,677	\$ 62,842,619	\$ 75,217,399	\$ 82,756,386	\$ 86,270,534	\$ 82,550,153	\$ 84,858,153	\$ 79,668,495	\$ 80,402,352	\$ 81,062,367
Total net debt applicable to the limit as a percentage of debt limit	24.22%	18.95%	15.21%	13.10%	11.56%	15.19%	12.82%	14.13%	11.56%	10.69%

	2014	2013	2012	2011	2010
Equalized valuation basis	3,069,311,026	3,017,718,335	3,017,718,335	3,017,718,335	3,069,311,026
2014	3,069,311,026	3,017,718,335	3,017,718,335	3,017,718,335	3,069,311,026
2013	3,097,602,010	3,043,444,322	3,043,444,322	3,043,444,322	3,097,602,010
2012	2,909,623,679	2,849,101,665	2,849,101,665	2,849,101,665	2,909,623,679
[A]	\$ 9,076,536,715	\$ 8,910,264,322	\$ 8,910,264,322	\$ 8,910,264,322	\$ 9,076,536,715
[A/3]	\$ 3,025,512,238	\$ 2,970,088,107	\$ 2,970,088,107	\$ 2,970,088,107	\$ 3,025,512,238
Average equalized valuation of taxable property					
Debt limit (3 % of average equalization value)	[B]				
Net bonded school debt	[C]				
Legal debt margin	[B-C]				
	90,765,367				90,765,367
	9,703,000				9,703,000
	\$ 81,062,367				\$ 81,062,367

Source: Abstract of Rates 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**

Exhibit J-14

Borough of Tinton Falls:

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2005	19,012	\$ 922,196,072	48,506	4.0%
2006	18,954	\$ 975,278,070	51,455	4.1%
2007	19,129	\$ 1,048,288,329	54,801	3.7%
2008	19,668	\$ 1,116,257,340	56,755	4.8%
2009	19,772	\$ 1,082,932,212	54,771	7.9%
2010	17,925	\$ 1,020,918,375	56,955	8.1%
2011	17,906	\$ 1,044,904,630	58,355	8.1%
2012	17,878	1,098,174,028	61,426	8.5%
2013	17,986	1,131,337,386	62,901	8.6%
2014	17,898	N/A	N/A	5.9%

Shrewsbury Township:

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
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	1,134	\$ 64,586,970	56,955	13.7%
2011	1,129	\$ 65,882,795	58,355	13.8%
2012	1,125	\$ 69,104,250	61,426	14.3%
2013	1,124	\$ 70,700,724	62,901	8.0%
2014	1,119	N/A	N/A	6.6%

N/A= Not Available

a US Bureau of the Census, Population Division

b Population times per capita income

c Bureau of Economic Analysis November 2013

d New Jersey Department of Labor and Workforce Development

Tinton Falls School District
Principal Employers,
Unaudited

SHREWSBURY TOWNSHIP

Employer	2015			2006		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0.00%	-		0.00%

N/A

N/A= NOT AVAILABLE

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

Exhibit J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	98	105	102	106	99	95	99	100	92	95.35
Special education	26	34	42	35	37	38	31	31	31	33.13
Other special education	31	19	38	38	35	31	36	35	35	37.5
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	6	10	4	4	3	3	4	4.5	7	3
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	18	29	19	20	27	21	23	24.5	20.5	20.54
General administrative services	5	6	5	5	5	5	3	3	3	4
School administrative services	13	13	13	13	15	15	14	14	13	15
Business administrative services	4	4	4	4	4	5	5	5	5	5
Plant operations and maintenance	17	16	15	10	6	6	5	5	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	218	236	242	235	231	219	220	222	207	214

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 ©	Average Daily Attendance ©	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	1,594	21,528,798	\$ 13,506.15	0.90%	134	94.0	50.0	1,576.30	1,506.10	-3.13%	95.55%
2007	1,559	21,987,960	\$ 14,103.89	4.43%	150	97	53	1,561.40	1,488.70	-0.95%	95.34%
2008	1,583	23,194,661	\$ 14,652.34	3.89%	159	105	54	1,575.30	1,506.40	0.89%	95.63%
2009	1,632	23,604,953	\$ 14,463.82	-1.29%	159	105	54	1,611.70	1,539.50	2.31%	95.52%
2010	1,585	23,093,165	\$ 14,569.82	0.73%	150	95.8	54.2	1,582.30	1,511.20	-1.82%	95.51%
2011	1,580	24,946,240	\$ 15,788.76	8.37%	145	85	59	1,580.00	1,537.32	-0.15%	97.30%
2012	1,565	23,965,719	\$ 15,313.56	-3.01%	149	98	51	1,554.10	1,487.30	-1.64%	95.70%
2013	1,531	25,340,467	\$ 16,551.58	8.08%	154	98	56	1,521.40	1,449.60	-3.71%	95.28%
2014	1,542	25,226,565	\$ 16,359.64	-1.16%	143	93	50	1,519.54	1,448.64	-2.22%	95.33%
2015	1,524	27,717,806	\$ 18,187.54	11.17%	133	82	51	1,495.85	1,431.05	-1.68%	95.67%

Source:

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Elementary										
Mahala 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	102,255	102,255	102,255	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, 2015										
Elementary										
2										
Middle School										
1										
Other										
1										
	258,897	258,897	258,897	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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Mahala F. Atchinson	N/A	172,020	124,865	114,631	132,929	105,152	82,462	100,980	118,075	106,949	113,828
Swimming River School	N/A	110,480	99,147	100,017	93,569	96,051	84,359	113,422	106,642	88,771	88,412
Tinton Falls Middle School	N/A	127,215	127,723	134,828	108,725	100,696	107,060	104,479	100,536	119,234	101,753
Administration Building	N/A	15,566	9,939	9,097	10,052	17,270	35,454	8,915	28,864	8,950	7,893
Total School Facilities		425,281	361,674	358,573	345,275	319,169	309,335	327,796	354,117	323,904	311,886

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

Insurance Schedule

June 30, 2015

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	43,975,966	1,000
Comprehensive General Liability	\$1M OCC./\$2M AGG.	
Comprehensive Automobile Liability	1,000,000	500
Automobile Physical Damage	1,000,000	1,000
Comprehensive Crime Coverage	25,000	
Disappearance, Destruction, Forgery	100,000	
Computers and Schedule Equipment -		
Data Processing-Hardware	990,359	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	Cov. A \$1M/ Cov. B \$100,000	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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**INDEPENDENT AUDITOR'S 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**

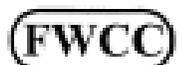
The Honorable President and
Members of the Board of Education
Borough of Tinton Falls School District
County of Monmouth, New Jersey
Tinton Falls, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School 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, the 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, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and



corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Tinton Falls 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Tinton Falls School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 13, 2015.

Purpose of this Report

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

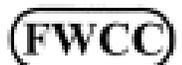
Paul J. Cuva

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 13, 2015



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

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

Report on Compliance for Each Major Federal and State Program

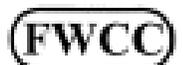
We have audited the Board of Education of the Borough of Tinton Falls School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Tinton Falls Board of Education's major federal and state programs for the year ended June 30, 2015. The Borough of Tinton Falls Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Tinton Falls Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General



of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Tinton Falls Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Tinton Falls Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Tinton Falls Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Borough of Tinton Falls Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Tinton Falls Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, 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 Borough of Tinton Falls 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 and 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 and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Tinton Falls Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated November 13, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Paul J. Cuva

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 13, 2015



BOROUGH OF TINTON FALLS SCHOOL DISTRICT														K3	
Schedule of Expenditures of Federal Awards														SCHEDULE A	
for the Fiscal Year Ended June 30, 2015															
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, 2014	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustments	Balance at June 30, 2015		MEMO	Cumulative Total Expenditures	
											(Accounts Receivable)	Deferred Revenue			
U.S. Department of Education															
General Fund:															
Impact Aid	84.041	N/A	33,012	7/1/14	6,300/15		63,275	(63,275)						63,275	
Medical Assistance Program (SEMI)	93.778	N/A	16,005	7/1/14	6,300/15		16,005	(16,005)						16,005	
ARRA Medical Assistance Program (SEMI)	93.778	N/A	28,251	7/1/14	6,300/15		10,538	(28,589)		\$ (18,251)				18,251	
							89,618	(107,869)		(18,251)				97,531	
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I	84.010	NCLB518515	164,080	7/1/14	6,300/15									118,217	
Title I	84.010	NCLB518514	139,162	9/1/13	8,31/14	108,542	108,542			(118,217)				108,542	
Title I	84.010	NCLB518513	111,130	9/1/12	8,31/13	21,924					21,924			120,898	
Title II, Part A	84.367	NCLB518515	33,749	7/1/14	6,300/15					(30,794)				30,794	
Title II, Part A	84.367	NCLB518514	36,763	9/1/13	8,31/14	(1,478)								1,478	
Title II, Part A	84.367	NCLB518513	24,715	9/1/12	8,31/13	(3,255)	357			(1,478)				16,025	
Title II, Part D	84.318	NCLB518513	21,436	9/1/12	8,31/13	(3,255)	3,255			(8,571)				21,436	
Title III, Part A	84.365	NCLB518515	10,233	7/1/14	6,300/15									8,571	
Title III, Part A	84.365	NCLB518514	10,233	7/1/13	6,300/14	(2,860)	2,193			(607)				2,860	
Title III, Part A	84.365	NCLB518513	6,056	9/1/13	8,31/14	(1,801)	1,801							11,928	
Sub-total						(118,293)	116,148	(157,582)		(159,727)		21,924		440,749	
ID.E.A. Part B, Basic Regular	84.027	IDEAS18515	720,784	7/1/14	6,300/15					(482,744)				482,744	
ID.E.A. Part B, Basic Regular	84.027	IDEAS18514	591,493	7/1/13	6,300/14	(273,678)	273,678							273,678	
ID.E.A. Part B, Basic Regular	84.027	IDEAS18513	475,434	9/1/12	8,31/13	235,003					235,003			378,696	
ID.E.A. Part B, Preschool	84.173	IDEAS18515	23,792	7/1/14	6,300/15					(14,794)				14,794	
ID.E.A. Part B, Preschool	84.173	IDEAS18514	20,728	7/1/13	6,300/14	(11,263)	11,263							11,263	
ID.E.A. Part B, Preschool	84.173	IDEAS18513	14,830	9/1/12	8,31/13						3,589			18,781	
Sub-total						(284,941)	284,941	(497,538)		(497,538)		236,592		1,179,956	
Total Special Revenue Fund						(405,254)	401,089	(655,120)		(657,265)		258,516		1,620,705	
U.S. Department of Agriculture															
Passed-through State Department of Education															
Child Nutrition Cluster:															
Non-Cash Assistance:															
Food Distribution Program	10.555	N/A	27,316	7/1/14	6,300/15		31,494	(31,494)						31,494	
Cash Assistance:															
National School Lunch Program	10.555	N/A	132,604	7/1/14	6,300/15		107,169	(132,604)		(25,435)				132,604	
National School Lunch Program	10.555	N/A	128,107	7/1/13	6,300/14	(26,507)								128,107	
School Breakfast Program	10.555	N/A	4,106	7/1/14	6,300/15		3,217	(4,106)		(889)				4,106	
School Breakfast Program	10.555	N/A	5,419	7/1/13	6,300/14	(1,184)								5,419	
Total Enterprise Fund						(27,691)	141,880	(168,204)		(54,015)				301,730	
Total Federal Financial Awards						(430,925)	652,587	(931,193)		(729,531)		258,516		2,019,966	

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© 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 \$1,478 for the general fund, \$-0- for the special revenue fund, and \$1,259,894 for the capital projects 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	\$107,869	\$6,333,063	\$6,440,932
Special Revenue Fund	655,120	130,258	785,378
Capital Projects Fund		70,695	70,695
Debt Service Fund		48,991	48,991
Food Service Fund	<u>168,204</u>	<u>4,727</u>	<u>172,931</u>
Total Financial Awards	<u>\$931,193</u>	<u>\$6,587,734</u>	<u>\$7,518,927</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, 2015. 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, 2015.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

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: unmodified

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:

CFDA Number(s)

Name of Federal Program or Cluster

84.027

I.D.E.A. Part B Basic

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

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

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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: unmodified

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>Name of State Program</u>
	Cluster: State Aid - Public
<u>15-495-034-5120-089</u>	(A) <u>Special Education Categorical Aid</u>
<u>15-495-034-5120-085</u>	(A) <u>Adjustment Aid</u>
<u>15-495-034-5120-014</u>	(A) <u>Transportation Aid</u>
<u>15-495-034-5120-044</u>	(A) <u>Extraordinary Aid</u>
<u>15-495-034-5095-002</u>	(A) <u>Reimbursed TPAF Social Security Contributions</u>

Note: (A) - Tested as major program.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

None

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

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

None

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

2014-01

The prior year overclaim for reimbursement of Federal Program funds in the amount of \$258,516 was not returned to the Federal government.