

**SCHOOL DISTRICT OF THE  
BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2016**

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

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## **INTRODUCTORY SECTION**



**THE TINTON FALLS SCHOOL DISTRICT**  
**ADMINISTRATIVE OFFICES**  
**658 TINTON AVENUE**  
**TINTON FALLS, NJ 07724**  
**(732) 460-2400**  
**FAX (732) 542-1158**  
<http://tfs.k12.nj.us>

John P. Russo  
Superintendent of Schools

Elizabeth W. Cole  
Director of Special Services

Tamar R. Sydney-Gens  
Business Administrator/Board Secretary

October 31, 2016

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, 2016. This CAFR includes the District's Basic Financial Statement prepared in accordance with generally accepted accounting principles for local governments. 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

# THE TINTON FALLS SCHOOL DISTRICT

## ADMINISTRATIVE OFFICES

658 TINTON AVENUE

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- Reporting Entity and its Services: The Tinton Falls School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB)39 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 (3) constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Kindergarten (full day) through 8, as well as a pre-school handicapped program. These include regular as well as handicapped students. The District completed the 2015-2016 fiscal year with an enrollment of 1,529 which is five (+5) students more 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>
2001-2002	1,810	- 3.15%
2002-2003	1,729	- 4.68%
2003-2004	1,761	+1.85%
2004-2005	1,610	- 8.57%
2005-2006	1,602	-0.005%
2006-2007	1,577	-0.016%
2007-2008	1,578	+0.0007%
2008-2009	1,632	+0.034%
2009-2010	1,585	- 0.028%
2010-2011	1,572	- 0.008%
2011-2012	1,565	- 0.004%
2012-2013	1,531	- 2.22 %
2013-2014	1,542	+ 0.7%
2014-2015	1,524	- 1.18%
2015-2016	1,529	+0.033%

- Economic Condition and Outlook: The Tinton Falls area is still experiencing a period of steadiness which is expected to continue. There are a number of housing developments that were approved in Tinton Falls. 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 if housing is actually filled by civilians. Efforts continue to be made by the Board of Education to limit the exposure to the Tinton Falls School District and their taxpayers.

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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 2015-2016 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 New Jersey Student Learning Standards for all subjects in grades K-8.
- The 2015-16 budget supported the importance of reading technical materials using "close read" to support college and career readiness.
- The technology instruction continued 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
- Implementation of our Balanced Literacy Program
- Enhancement of the following curricular areas through the review and update of each curriculum based on the Revised 2015 New Jersey Student Learning Standards and the Common Core State Standards in Math and STEM, Visual and Performing Arts, Health & Physical Education and English/Language Arts
- 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 through the use of social media as well as traditional methods of communication

**Raising Standards and Expanding Opportunities:**

- Through continued interaction with the District Evaluation Advisory Committee to continue to enhance Teacher Evaluation

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- Through Professional Development advised by the School Improvement Panels and District Data Teams
  - Through the development and assessment of Student Growth Objectives for Teachers and Principals
  - Through the development and assessment of Common Assessments for each Content area designed to measure student progress and instructional effectiveness
  - Through the use 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 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the general-purpose financial statements and combining the individual fund statement and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. Acknowledgments: We would like to express our appreciation to the members of the Tinton Falls School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

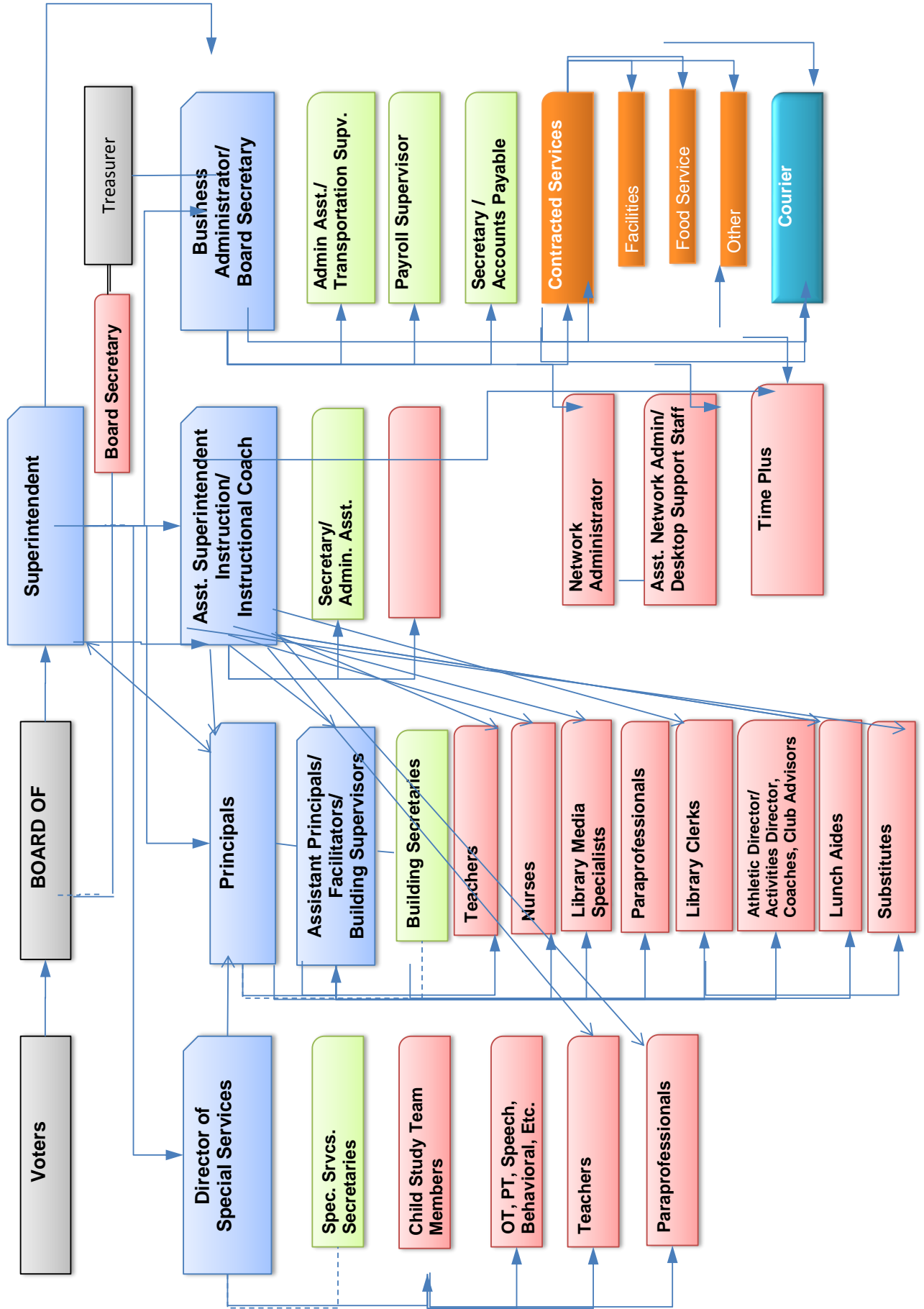
*John Russo*

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



# THE TINTON FALLS SCHOOL DISTRICT

ADMINISTRATIVE OFFICES  
658 TINTON AVENUE  
TINTON FALLS, NJ 07724  
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Business Administrator/Board Secretary

## ROSTER OF OFFICIALS as of June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Peter Karavites, President	2017
Bill Holobowski, Vice President	2016
Jeff Davidson	2016
James Fetter	2016
Kenneth Hager	2016
Ryan Hager	2018
Fred Lomangino	2018
Gerard Ryan	2017
R. Chris Skurat	2018

### Other Officials:

John Russo, Superintendent of Schools

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

John Paredes, Treasurer of School Monies

Martin M. Barger, Solicitor

**TINTON FALLS BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorney**

Martin M. Barger, Esq.

**Official Depository**

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



**FINANCIAL SECTION**

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

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

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, NJ 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

### **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, 2016, 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, 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, 2016, 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 and Schedules Related to Accounting and Reporting for Pensions 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  
Members of the Board of Education  
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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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 October 31, 2016 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



Honorable President and  
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

October 31, 2016



**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, 2016  
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, 2016. 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 \$2,273,185. Net position of governmental activities increased by \$2,125,697 and net position of business-type activity increased by \$147,488.
- General revenues accounted for \$33,543,137 in revenue or 94.11 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,099,209 or 5.89 percent of total revenues of \$35,642,346.
- The School District had \$32,754,428 in expenses related to governmental activities; only \$1,336,988 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$33,543,137 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, 2016  
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, 2016  
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, 2016  
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 \$26,483,137 at June 30, 2016 and \$24,357,440 at June 30, 2015. 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 2016 compared to 2015 (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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current and Other Assets	15,772,371	16,002,733	1,476,553	1,307,179	17,248,924	17,309,912
Capital Assets	<u>24,522,192</u>	<u>25,103,618</u>	<u>5,219</u>	<u>6,263</u>	<u>24,527,411</u>	<u>25,109,881</u>
Total Assets	<u>40,294,563</u>	<u>41,106,351</u>	<u>1,481,772</u>	<u>1,313,442</u>	<u>41,776,335</u>	<u>42,419,793</u>
Deferred Outflow of						
Resources	<u>1,303,867</u>	<u>606,960</u>	_____	_____	<u>1,303,867</u>	<u>606,960</u>
<b>Liabilities</b>						
Current Liabilities	1,691,999	3,043,926	78,684	57,842	1,770,683	3,101,768
Noncurrent Liabilities	<u>13,318,156</u>	<u>13,989,459</u>	_____	_____	<u>13,318,156</u>	<u>13,989,459</u>
Total Liabilities	<u>15,010,155</u>	<u>17,033,385</u>	<u>78,684</u>	<u>57,842</u>	<u>15,088,839</u>	<u>17,091,227</u>
Deferred Inflow of						
Resources	<u>105,138</u>	<u>322,486</u>	_____	_____	<u>105,138</u>	<u>322,486</u>
<b>Net Position</b>						
Invested in Capital Assets- -						
Net of Debt	18,149,617	16,993,755	5,219	6,263	18,154,836	17,000,018
Restricted	11,469,106	10,323,834			11,469,106	10,323,834
Unrestricted	<u>(3,135,586)</u>	<u>(2,960,149)</u>	<u>1,397,869</u>	<u>1,249,337</u>	<u>(1,737,717)</u>	<u>(1,710,812)</u>
Total Net Position	<u>26,483,137</u>	<u>24,357,440</u>	<u>1,403,088</u>	<u>1,255,600</u>	<u>27,886,225</u>	<u>25,613,040</u>

This year, the District was able to report a balance of \$(3,343,647) in its unrestricted net position, which is a decrease from the previous years' balance of \$383,498. This decrease was largely attributable to the recording of the PERS net pension obligation of \$6,539,235 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, 2016  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2016 compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			557,553	699,759	557,553	699,759
Operating Grants and						
Contributions	1,336,988	1,722,122	204,668	170,779	1,541,656	1,892,901
Capital Grants and						
Contributions		70,695				70,695
General Revenues:						
Taxes:						
Property taxes	22,811,063	22,124,297			22,811,063	22,124,297
Federal and State Aid						
Not Restricted	9,469,938	8,092,232			9,469,938	8,092,232
Tuition Received	190,185	197,953			190,185	197,953
Miscellaneous Income	<u>1,071,951</u>	<u>102,628</u>	<u>      </u>	<u>      </u>	<u>1,071,951</u>	<u>102,628</u>
Total Revenues and Transfers	<u>34,880,125</u>	<u>32,309,927</u>	<u>762,221</u>	<u>870,538</u>	<u>35,642,346</u>	<u>33,180,465</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Functions/Program</b>						
Instruction:						
Regular	7,462,267	7,662,108			7,462,267	7,662,108
Special Education	2,508,558	2,646,554			2,508,558	2,646,554
Other Special Instruction	369,798	425,761			369,798	425,761
Other Instruction	128,277	171,835			128,277	171,835
Support Services:						
Tuition	664,173	547,665			664,173	547,665
Student & Instruction						
Related Services	3,867,661	4,285,270			3,867,661	4,285,270
School Administrative						
Services	560,877	978,620			560,877	978,620
General Administrative						
Services	922,480	543,026			922,480	543,026
Central Services and						
Admin.Technology	427,027	422,291			427,027	422,291
Plant Operations and						
Maintenance	1,797,717	1,830,685			1,797,717	1,830,685
Pupil Transportation	1,797,081	1,801,115			1,797,081	1,801,115
Unallocated Benefits	10,469,011	9,029,891			10,469,011	9,029,891
Capital Outlay - Non-						
Depreciable	17,762	17,235			17,762	17,235
Unallocated Depreciation	1,456,741	1,454,699			1,456,741	1,454,699
Interest on Long Term Debt	304,998	347,834			304,998	347,834
Food Service			480,606	456,482	480,606	456,482
Time+			132,581	159,142	132,581	159,142
Kindergarten Enrichment			<u>1,546</u>	<u>100,055</u>	<u>1,546</u>	<u>100,055</u>
Total Expenses and Transfers	<u>32,754,428</u>	<u>32,164,589</u>	<u>614,733</u>	<u>715,679</u>	<u>33,369,161</u>	<u>32,880,268</u>
Increase or (Decrease) in						
Net Position	<u>2,125,697</u>	<u>145,338</u>	<u>147,488</u>	<u>154,859</u>	<u>2,273,185</u>	<u>300,197</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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 \$33,369,161. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$22,811,063 because some of the cost was paid by those who benefitted from the programs \$557,553, by other governments and organizations who subsidized certain programs with grants and contributions \$11,011,594, tuition income \$190,185 and by miscellaneous sources \$1,071,951.

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 \$147,488.
- ✓ Charges for services provided totaled \$557,553. 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 \$204,668.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2016, 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 2015</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$23,115,149	75.64%	\$690,271	3.08%
State Sources	6,752,855	22.10%	169,848	2.58%
Federal Sources	<u>693,013</u>	<u>2.26%</u>	<u>(69,976)</u>	<u>(9.17)%</u>
Total	<u>\$30,561,017</u>	<u>100.00%</u>	<u>\$790,143</u>	<u>2.65%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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 2015</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$10,411,688	34.25%	(\$437,283)	(4.03)%
Undistributed	16,987,090	55.88%	118,255	0.70%
Capital Outlay	983,585	3.24%	552,419	128.12%
Debt Service	<u>2,019,402</u>	<u>6.64%</u>	<u>(43,301)</u>	<u>(2.10)%</u>
Total	<u>\$30,401,765</u>	<u>100.00%</u>	<u>\$190,090</u>	<u>0.63%</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, 2016, 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, 2016  
UNAUDITED (CONTINUED)**

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

**General Fund**

The general fund actual revenue was \$27,787,384. That amount is \$3,136,081 above the final amended budget of \$24,651,303. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,527,449 for TPAF social security reimbursements and on-behalf pension and medical retirement payments, an excess in other state and federal aids of \$404,567, and a \$204,065 excess in local anticipated revenues.

The actual expenditures of the general fund were \$26,876,912. This is \$1,931,569 below the final amended budget of \$28,808,481. 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 \$2,527,449, and a favorable variance of \$4,459,018 in unexpended budgeted funds.

The general fund had total revenues of \$27,787,384 and total expenditures of \$26,876,912, and transfers of \$390,789 to the capital project fund, with an ending fund balance of \$12,740,633.

**Special Revenue Fund**

The special revenue fund actual revenue was \$752,028. That amount is above the original budget estimate of \$564,558 and less than 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 \$752,028, which is above the original budget of \$564,558. The \$187,470 variance between actual expenditures and 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, 2016  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2016, the School District had \$44,379,719 invested in land, buildings and building improvements, machinery and equipment, and construction in progress. Of this amount, \$19,852,308 in depreciation has been taken over the years. We currently have a net book value of \$24,527,411. Total depreciable additions for the year were \$965,823, the majority of which was for various technology and office equipment and building improvements and depreciable deletions of \$73,824, which was transfers from construction in progress to capital assets being depreciated and asset deletions. Table 3 shows fiscal year 2016 balances compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	239,620	239,620			239,620	239,620
Buildings and Site Improvements	22,822,335	24,185,936			22,822,335	24,185,936
Furniture, Equipment and Vehicles	182,178	292,002	5,219	6,263	187,397	298,265
Construction in Progress	<u>1,278,059</u>	<u>386,060</u>	<u>      </u>	<u>      </u>	<u>1,278,059</u>	<u>386,060</u>
	<u>24,522,192</u>	<u>25,103,618</u>	<u>5,219</u>	<u>6,263</u>	<u>24,527,411</u>	<u>25,109,881</u>

**Debt Administration**

At June 30, 2016, the district had \$13,318,156 of outstanding debt. Of this amount, \$406,346 is for compensated absences; \$54,575 is for various capital leases; \$6,318,000 of serial bonds issued for the financing of various school construction projects; and \$6,539,235 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 2016-2017 fiscal year.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

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

The following factors were considered in preparing the 2016-2017 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, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	8,867,542	1,435,498	10,303,040
Receivables, net	2,250,617	10,098	2,260,715
Internal Balances	(27,387)	27,387	-
Inventory		3,570	3,570
Restricted assets:			
Cash and cash equivalents	4,681,599		4,681,599
Capital assets:			
Land	239,620		239,620
Construction in Process	1,278,059		1,278,059
Depreciable Capital Assets	23,004,513	5,219	23,009,732
Total Assets	<u>40,294,563</u>	<u>1,481,772</u>	<u>41,776,335</u>
Deferred outflows of resources-Related to PERS Pension	<u>1,303,867</u>		<u>1,303,867</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,457,034	67,576	1,524,610
Prepaid Taxes	71,528		71,528
Payable to the Federal Government	-		-
Payable to the State Government	23,291		23,291
Advanced revenue	140,146	11,108	151,254
Noncurrent liabilities:			
Due within one year	1,332,288		1,332,288
Due beyond one year	11,985,868		11,985,868
Total liabilities	<u>15,010,155</u>	<u>78,684</u>	<u>15,088,839</u>
Deferred inflows of resources-Related to PERS Pension	<u>105,138</u>		<u>105,138</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	18,149,617	5,219	18,154,836
Restricted for:			
Debt service	9,061		9,061
Capital projects	2,003,151		2,003,151
Other Purposes	9,456,894		9,456,894
Unrestricted (Deficit)	<u>(3,135,586)</u>	<u>1,397,869</u>	<u>(1,737,717)</u>
Total net position	<u><u>26,483,137</u></u>	<u><u>1,403,088</u></u>	<u><u>27,886,225</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, 2016

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Indirect Expenses Allocation	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	7,405,055	57,212		243,900		(7,218,367)		(7,218,367)
Special education	2,508,558					(2,508,558)		(2,508,558)
Other special instruction	369,798					(369,798)		(369,798)
Other instruction	128,277					(128,277)		(128,277)
Support services:								
Tuition	664,173					(664,173)		(664,173)
Student & instruction related services	3,867,661			191,242		(3,676,419)		(3,676,419)
General administrative services	546,159	14,718				(560,877)		(560,877)
School administrative services	922,480					(922,480)		(922,480)
Central Services and Administrative Technology	427,027					(427,027)		(427,027)
Plant operations and maintenance	1,785,816	11,901		854,382		(1,797,717)		(1,797,717)
Pupil transportation	1,797,081					(942,699)		(942,699)
Employee Benefits	10,469,011					(10,469,011)		(10,469,011)
Capital outlay-undepreciable	17,762					(17,762)		(17,762)
Interest on long-term debt	304,998			47,464		(257,534)		(257,534)
Unallocated depreciation	1,456,741					(1,456,741)		(1,456,741)
Total governmental activities	32,670,597	83,831	-	1,336,988	-	(31,417,440)	-	(31,417,440)
Business-type activities:								
Food Service	480,606		302,980	204,668			27,042	27,042
Time +	132,581		244,120				111,539	111,539
Kindergarten Enrichment Program	1,546		10,453				8,907	8,907
Total business-type activities	614,733	-	557,553	204,668	-	(31,417,440)	147,488	147,488
Total primary government	33,285,330	83,831	557,553	1,541,656	-	(31,417,440)	147,488	(31,269,952)
General revenues:								
Property Taxes Levied for:								
General Purposes						20,843,321		20,843,321
Debt Service						1,967,742		1,967,742
Federal and State aid not restricted						9,469,938		9,469,938
Tuition						190,185		190,185
Miscellaneous Income						113,901		113,901
Loss on deletion of Equipment						(6,686)		(6,686)
Transfer financing sources and (uses)						964,736		964,736
Total general revenues, special items, extraordinary items and transfers						33,543,137		33,543,137
Change in Net Position						2,125,697	147,488	2,273,185
Net Position—beginning						24,357,440	1,255,600	25,613,040
Net Position—ending						26,483,137	1,403,088	27,886,225

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, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	8,313,516		544,965	9,061	8,867,542
Receivables from Other Governments	557,643	205,925	1,458,186		2,221,754
Interfund Accounts Receivable	73,530				73,530
Tuitions Receivable	28,863				28,863
Restricted Cash and Cash Equivalents	4,681,599				4,681,599
Total Assets	<u>13,655,151</u>	<u>205,925</u>	<u>2,003,151</u>	<u>9,061</u>	<u>15,873,288</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	1,115,860	20,121			1,135,981
Interfund Accounts Payable	27,387	73,530			100,917
Prepaid Taxes	71,528				71,528
Payable to the Federal Government					
Payable to the State Government		23,291			23,291
Interfund Accounts Payable					
Deferred Revenue	51,163	88,983			140,146
Total Liabilities	<u>1,265,938</u>	<u>205,925</u>			<u>1,471,863</u>
Fund Balances:					
Restricted for:					
Excess Surplus -- current year	2,700,553				2,700,553
Excess Surplus - prior year -designated for subsequent year's expenditures	2,021,509				2,021,509
Emergency Reserve	250,000				250,000
Maintenance Reserve	1,634,416				1,634,416
Impact Aid	53,233				53,233
Capital Reserve	2,797,183				2,797,183
Assigned to:					
Other purposes	1,841,112				1,841,112
Debt Service				9,061	9,061
Designated by the BOE for subsequent year's expenditures	629,607				629,607
Capital Projects			2,003,151		2,003,151
Unassigned:					
General Fund	461,600				461,600
Total Fund Balances	<u>12,389,213</u>		<u>2,003,151</u>	<u>9,061</u>	<u>14,401,425</u>
Total Liabilities and Fund Balances	<u>13,655,151</u>	<u>205,925</u>	<u>2,003,151</u>	<u>9,061</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 \$44,346,403 and the accumulated depreciation is \$19,826,211.	24,522,192
Deferred outflow of resources related to PERS pension liability	1,303,867
Interest on Long-term debt accrued	(63,781)
Deferred inflow of resources related to PERS pension liability	(105,138)
Accounts payable for PERS payment subsequent to the measurement date.	(257,272)
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)	<u>(13,318,156)</u>
Net position of governmental activities	<u>26,483,137</u>

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

**Tinton Falls School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	20,843,321			1,967,742	22,811,063
Tuition	190,185				190,185
Miscellaneous	68,880	39,826	5,195		113,901
Total - Local Sources	<u>21,102,386</u>	<u>39,826</u>	<u>5,195</u>	<u>1,967,742</u>	<u>23,115,149</u>
State Sources	6,572,458	132,933		47,464	6,752,855
Federal Sources	113,744	579,269			693,013
Total Revenues	<u>27,788,588</u>	<u>752,028</u>	<u>5,195</u>	<u>2,015,206</u>	<u>30,561,017</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	6,844,269	560,786			7,405,055
Special Education Instruction	2,508,558				2,508,558
Other Special Instruction	369,798				369,798
Other Instruction	128,277				128,277
Support Services and Undistributed Costs:					
Tuition	664,173				664,173
Student & Instruction Related Services	3,676,419	191,242			3,867,661
General Administrative Services	546,159				546,159
School Administrative Services	922,480				922,480
Central Services and Administrative Technology	454,315				454,315
Plant Operations and Maintenance	1,785,816				1,785,816
Pupil Transportation	1,797,081				1,797,081
Employee Benefits	6,949,405				6,949,405
Debt Service:					
Principal				1,710,000	1,710,000
Interest and Other Charges				309,402	309,402
Capital Outlay	230,162	-	753,423		983,585
Total Expenditures	<u>26,876,912</u>	<u>752,028</u>	<u>753,423</u>	<u>2,019,402</u>	<u>30,401,765</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>911,676</u>	<u>-</u>	<u>(748,228)</u>	<u>(4,196)</u>	<u>159,252</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Cancelled Receivable's from State			(94,418)		(94,418)
Transfers in	668,366		753,423	5,195	1,426,984
Transfers out			(367,830)		(367,830)
Total other financing sources and uses	<u>668,366</u>	<u>-</u>	<u>291,175</u>	<u>5,195</u>	<u>964,736</u>
Net Change in Fund Balances	1,580,042	-	(457,053)	999	1,123,988
Fund Balance—July 1	<u>10,809,171</u>		<u>2,460,204</u>	<u>8,062</u>	<u>13,277,437</u>
Fund Balance—June 30	<u>12,389,213</u>	<u>-</u>	<u>2,003,151</u>	<u>9,061</u>	<u>14,401,425</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, 2016**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>1,123,988</b>
<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	(1,540,572)
Depreciable Capital outlays	965,823
Loss on deletion of Equipment	(6,686)
<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	1,710,000
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	250,445
Less: Pension Expense	<u>(470,905)</u>
Increase in Pension Expense	(220,460)
<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	3,361,058
Increase in On-behalf TPAF Pension Expense	(3,361,058)
<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	61,912
<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	(63,781)
Accrued interest - prior year	68,185
 <b>Change in net assets of governmental activities</b>	 <b><u><u>2,125,697</u></u></b>

**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, 2016**

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	182,088	665,314	588,096	1,435,498
Accounts Receivable:				
State	418			418
Federal	9,680			9,680
Interfund-Accounts Receivable	27,387			27,387
Inventory	3,570			3,570
Total Current Assets	<u>223,143</u>	<u>665,314</u>	<u>588,096</u>	<u>1,476,553</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	31,316			31,316
Less Accumulated Depreciation	(26,097)			(26,097)
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,219</u>	<u>-</u>	<u>-</u>	<u>5,219</u>
Total Assets	<u>228,362</u>	<u>665,314</u>	<u>588,096</u>	<u>1,481,772</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	65,514	2,062	-	67,576
Deferred Revenue	11,108			11,108
Total Current Liabilities	<u>76,622</u>	<u>2,062</u>	<u>-</u>	<u>78,684</u>
Total Liabilities	<u>76,622</u>	<u>2,062</u>	<u>-</u>	<u>78,684</u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	5,219			5,219
Unrestricted	146,521	663,252	588,096	1,397,869
Total Net Position	<u>151,740</u>	<u>663,252</u>	<u>588,096</u>	<u>1,403,088</u>

**Tinton Falls School District**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Year Ended June 30, 2016**

	<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	198,197			198,197
Daily Sales - Non-Reimbursable Programs	99,313			99,313
Miscellaneous	5,470	244,120	10,453	260,043
Total Operating Revenues	<u>302,980</u>	<u>244,120</u>	<u>10,453</u>	<u>557,553</u>
Operating Expenses:				
Cost of Sales	261,714			261,714
Labor	187,593	117,524	1,074	306,191
Supplies and Materials	14,393	3,428		17,821
Employee Benefits	11,955	11,000	82	23,037
Miscellaneous Expense	3,908	629	390	4,927
Depreciation	1,043			1,043
Total Operating Expenses	<u>480,606</u>	<u>132,581</u>	<u>1,546</u>	<u>614,733</u>
Operating Income (Loss)	(177,626)	111,539	8,907	(57,180)
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	5,020			5,020
Federal Sources:				
National School Lunch Program	144,506			144,506
National School Breakfast Program	16,904			16,904
Food Distribution Program	38,238			38,238
Total Non-operating Revenues (Expenses)	<u>204,668</u>	-	-	<u>204,668</u>
Income (Loss) Before Contributions & Transfers	27,042	111,539	8,907	147,488
Transfers In (Out)				
Change in Net Assets	27,042	111,539	8,907	147,488
Total Net Position - Beginning	<u>124,698</u>	<u>551,713</u>	<u>579,189</u>	<u>1,255,600</u>
Total Net Position—Ending	<u>151,740</u>	<u>663,252</u>	<u>588,096</u>	<u>1,403,088</u>

**Tinton Falls School District**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2016**

	<b>Food Service Program</b>	<b>Time + Program</b>	<b>Kindergarten Enrichment Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	304,868	244,120		548,988
Payments to employees		(127,671)	(1,074)	(128,745)
Payments for Miscellaneous Expenses		(15,057)	(472)	(15,529)
Payments to Food Service Management Company	(440,247)			(440,247)
Net Cash Provided by (Used for) Operating Activities	<u>(135,379)</u>	<u>101,392</u>	<u>(1,546)</u>	<u>(35,533)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	5,520			5,520
Federal Sources	216,292			216,292
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>221,812</u>	<u>-</u>	<u>-</u>	<u>221,812</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interfunds	3,247			3,247
Net Cash Provided by (Used for) Capital Related Financing Activities	<u>3,247</u>	<u>-</u>	<u>-</u>	<u>3,247</u>
Net Increase (Decrease) in Cash and Cash Equivalents	89,680	101,392	(1,546)	189,526
Balances—Beginning of Year	92,408	563,922	589,642	1,245,972
Balances—End of Year	<u>182,088</u>	<u>665,314</u>	<u>588,096</u>	<u>1,435,498</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	(177,626)	111,539	8,907	(57,180)
Adjustments to reconcile operating income (loss) to net cash provided by				
Depreciation	1,043			1,043
Increase (Decrease) in Deferred Revenue	1,888			1,888
(Increase) Decrease in Inventory	(238)			(238)
Increase (Decrease) in Accounts Payable	39,554	(10,147)		29,407
Total Adjustments	<u>42,247</u>	<u>(10,147)</u>	<u>-</u>	<u>32,100</u>
Net Cash Provided by (Used for) Operating Activities	<u>(135,379)</u>	<u>101,392</u>	<u>8,907</u>	<u>(25,080)</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, 2016**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	114,892
Total Assets	114,892
<b>LIABILITIES</b>	
Payable to student groups	44,189
Payroll deductions and withholdings	70,703
Total Liabilities	114,892
<b>NET POSITION</b>	

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, 2016**

**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 reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Tinton Falls School District, this includes general operations, enterprise funds and fiduciary funds of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has not component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**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.

**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 - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**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:

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**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:

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**B. Measurement Focus: (continued)**

**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.

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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**C. Basis of Accounting: (continued)**

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.

**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 2015/2016, the Board did not increase the original budget.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**D. Budgets/Budgetary Control: (continued)**

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.

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**F. Cash, Cash Equivalents and Investments: (continued)**

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.

**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, 2016, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	<u>\$3,570</u>
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**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2016, 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, 2016 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset’s life are not 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

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**L. Compensated Absences:**

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

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

**M. Deferred Revenue:**

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

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

**N. Accrued Liabilities and Long-term Obligations:**

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

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



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

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

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.

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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

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

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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**Q. 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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**Q. Fund Balances: (continued)**

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**R. 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.

**S. 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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**T. 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.

**U. 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.

**V. 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.

**W. Allowance for Uncollectible Accounts:**

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

**X. Recent Accounting Pronouncements:**

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**X. Recent Accounting Pronouncements: (continued)**

- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP” hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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.

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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**X. Recent Accounting Pronouncements: (continued)**

The Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participation, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 80, Blending Requirements for Certain Component Units, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect 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 (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2016, \$-0- of the District's bank balance of \$15,572,263 was exposed to custodial credit risk.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**Investments**

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

As of June 30, 2016, the Board had no outstanding 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, 2016, the District had \$2,921,563 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, 2016**

**NOTE 4. RECEIVABLES:**

Receivables at June 30, 2016, 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 Fund	District Wide Financial <u>Statements</u>
State Aid	\$2,020,159	\$418	\$2,020,577
Federal Aid	178,305	9,680	187,985
Tuition	28,863		28,863
Other	<u>23,290</u>		<u>23,290</u>
Gross receivables	2,250,617	10,098	2,260,715
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,250,617</u>	<u>\$10,098</u>	<u>\$2,260,715</u>

**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/16</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$239,620	\$	\$	\$239,620
Construction in Progress	<u>386,060</u>	<u>965,823</u>	<u>73,824</u>	<u>1,278,059</u>
Total Capital Assets, Not Being Depreciated	<u>625,680</u>	<u>965,823</u>	<u>73,824</u>	<u>1,517,679</u>
Capital Assets Being Depreciated				
Sites and Improvements	2,123,361			2,123,361
Buildings and Improvements	38,846,827	62,846		38,909,673
Furniture, Equipment and Vehicles	<u>2,185,017</u>	<u>10,978</u>	<u>398,305</u>	<u>1,797,690</u>
Total Capital Assets, Being Depreciated	<u>43,155,205</u>	<u>73,824</u>	<u>398,305</u>	<u>42,830,724</u>
Less Accumulated Depreciation:				
Sites and Improvements	(1,584,983)	(68,995)		(1,653,978)
Buildings and Improvements	(15,199,269)	(1,357,452)		(16,556,721)
Furniture, Equipment and Vehicles	<u>(1,893,015)</u>	<u>(114,125)</u>	<u>(391,628)</u>	<u>(1,615,512)</u>
Total Accumulated Depreciation	<u>(18,677,267)</u>	<u>(1,540,572)</u>	<u>(391,628)</u>	<u>(19,826,211)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,477,938</u>	<u>(1,466,748)</u>	<u>6,677</u>	<u>23,004,513</u>
Governmental Activities Capital Assets, Net	<u>\$25,103,618</u>	<u>(\$500,925)</u>	<u>\$80,501</u>	<u>\$24,522,192</u>



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 5. CAPITAL ASSETS: (continued)**

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
<b>Business-Type Activity</b>				
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	(25,054)	(1,043)	<u>          </u>	(26,097)
Total Accumulated Depreciation	<u>(25,054)</u>	<u>(1,043)</u>	<u>          </u>	<u>(26,097)</u>
Business-Type Activity Capital Assets, Net	<u>\$6,262</u>	<u>(\$1,043)</u>	<u>\$</u>	<u>\$5,219</u>

Depreciation expense was charged to the functions as follows:

Instruction - Regular	\$57,212
Support Services - Administration	14,718
Plant Operations and Maintenance	11,901
Unallocated Depreciation	<u>1,456,741</u>
Total Depreciation Expense	<u>\$1,540,572</u>

**NOTE 6. LONG-TERM DEBT OBLIGATIONS:**

For the fiscal year ended June 30, 2016 the following liabilities are reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences payable	\$468,258	\$136,771	\$198,683	\$406,346	\$
Bonds payable	8,028,000		1,710,000	6,318,000	1,305,000
Capital leases payable	81,863		27,288	54,575	27,288
Net (PERS) pension obligation	<u>5,411,338</u>	<u>1,127,897</u>	<u>          </u>	<u>6,539,235</u>	<u>          </u>
	<u>\$13,989,459</u>	<u>\$1,264,668</u>	<u>\$1,935,971</u>	<u>\$13,318,156</u>	<u>\$1,332,288</u>

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**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>
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	328,000	13,940	341,940
Total	<u>\$6,318,000</u>	<u>\$1,625,638</u>	<u>\$7,943,638</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, 2016**

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

**B. Capital Leases Payable:**

The District is leasing 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, 2016.

<u>Year</u>	
2017	\$27,288
2018	<u>27,287</u>
	<u>\$54,575</u>

**NOTE 7. PENSION PLANS:**

**Basis of Accounting**

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

**Investment Valuation**

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

**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](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

**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.

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

During the year ended June 30, 2016 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>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/16	\$250,445	\$9,833
6/30/15	238,268	4,154
6/30/14	226,379	4,757

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 <u>Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/16	\$773,363	\$966,733	\$38,524
6/30/15	540,320	919,470	38,874
6/30/14	421,481	752,069	37,203

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 \$748,829 during the year ended June 30, 2016 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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported a liability of \$6,539,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the District's proportion was .029130 percent, which was an increase of .000228 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$470,905. At June 30, 2016, 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	\$702,262	\$
Net difference between projected and actual earnings on pension plan investments	156,003	105,138
Changes in proportion and differences between District contributions and proportionate share of contributions	188,330	
District contributions subsequent to the measurement date	<u>257,272</u>	
Total	<u>\$1,303,867</u>	<u>\$105,138</u>

The \$257,272 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:	
2017	\$137,107
2018	137,107
2019	218,365
2020	123,441

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>42184</u>	<u>41819</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	.0291305962%	.0289024950%

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 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	3.04 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, 2014 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, 2016**

**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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
Reit	4.25%	5.12%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

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.

**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, 2015 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, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
District's proportionate share of the pension liability	\$8,127,469	\$6,539,235	\$5,207,671

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>67,711,905</u>
	<u>\$67,711,905</u>

The net pension liability was measured as of June 30, 2015, 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, 2015, the proportion of the TPAF net pension liability associated with the District was .1071318514%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$4,134,421 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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%

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
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**NOTE 7. PENSION PLANS: (continued)**

**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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 7. PENSION PLANS: (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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. 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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**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 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](http://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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

**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.

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

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

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, 2016, 2015 and 2014 were \$966,733, \$919,470 and \$752,069, 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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

**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.

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 10. RISK MANAGEMENT: (continued)**

**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.

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$2,348,486
Deposits:	
Transfer by Board Resolution, June 13, 2016	1,100,000
Transfer from unexpended Capital Project Fund	203,071
Withdrawals	<u>854,374</u>
Ending Balance, June 30, 2016	<u><u>\$2,797,183</u></u>



**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$250,000
Ending balance, June 30, 2016	\$250,000

**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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$1,226,282
Increased by:	
Transfer by Board Resolution, June 13, 2016	500,000
Decreased by:	
Withdrawals	<u>91,866</u>
Ending Balance, June 30, 2016	<u>\$1,634,416</u>

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 14. FEDERAL IMPACT AID RESERVE:**

As permitted by P.L. 2015, c. 46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve account was established by the Tinton Falls School District by transfer of \$53,233 on June 13, 2016, by board resolution for the amount of federal impact aid funds received during the current fiscal year for use as capital outlay expenditures or for transfer to capital projects fund in subsequent fiscal years. The federal impact aid – capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**NOTE 15. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$12,389,213 General Fund fund balance at June 30, 2016, \$1,841,112 is reserved for encumbrances; \$4,722,062 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$2,021,509 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$2,797,183 has been reserved in the Capital Reserve Account; \$1,634,416 has been reserved in the maintenance reserve account; \$250,000 has been reserved in the Emergency Reserve Account; \$629,607 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$53,233 has been reserved for Impact Aid; and \$461,600 is unreserved and undesignated.

**Debt Service Fund** - Of the \$9,061 Debt Service Fund fund balance at June 30, 2016, \$3,865 has been appropriated and included as anticipated revenue for the year ending June 30, 2016 and \$5,196 is restricted for debt service.

**NOTE 16. 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, 2016 is \$4,722,062. Of this amount, \$2,700,553 is the result of current year’s operations.

**NOTE 17. INTERFUND RECEIVABLES AND PAYABLES:**

The composition of interfund balances as of June 30, 2016 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>\$27,387</u>
General Fund	Special Revenue Fund	<u>\$73,530</u>

**Borough of Tinton Falls School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2016**

**NOTE 17. INTERFUND RECEIVABLES AND PAYABLES: (continued)**

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 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 October 31, 2016, 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, 2016									
	Original Budget	Transfers/Adjustments	Final Budget	Budget 15-16 Actual	Variance Final to Actual				
<b>REVENUES:</b>									
Local Sources:									
Local Tax Levy	20,843,321		20,843,321	20,843,321					
Tuition	10,000		10,000	190,185	180,185				
Miscellaneous	45,000		45,000	68,880	23,880				
Total - Local Sources	20,898,321		20,898,321	21,102,386	204,065				
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	175,000		175,000	470,026	295,026				
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				15,936	15,936				
On-behalf TPAF NCGI Premium (non-budgeted)				38,524	38,524				
On-behalf TPAF Post-Retirement Medical (non-budgeted)				966,733	966,733				
On-behalf TPAF Premium				773,363	773,363				
TPAF Social Security (Reimbursed - Non-Budgeted)				748,829	748,829				
Total - State Sources	3,732,843		3,732,843	6,571,254	2,838,411				
Federal sources:									
Impact Aid									
Medical Assistance Program (SEMI)	20,139		20,139	53,233	33,094				
ARRA Medical Assistance Program (SEMI)				60,511	60,511				
Total - Federal Sources	20,139		20,139	113,744	93,605				
<b>TOTAL REVENUES</b>	<b>24,651,303</b>		<b>24,651,303</b>	<b>27,787,384</b>	<b>3,136,081</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2016									
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual				
<b>EXPENDITURES:</b>									
<b>Current Expense:</b>									
<b>Regular Programs - Instruction</b>									
Preschool/Kindergarten - Salaries of Teachers	436,720	81,505	518,225	468,801	49,424				
Grades 1-5 - Salaries of Teachers	3,542,060	288,260	3,830,320	3,193,613	636,707				
Grades 6-8 - Salaries of Teachers	2,483,253	212,602	2,695,855	2,456,167	239,688				
<b>Regular Programs - Home Instruction:</b>									
Salaries of Teachers	20,000		20,000	8,642	11,358				
Purchased Professional-Educational Services	1,000	3,453	4,453		4,453				
Other Purchased Services (400-500 series)	500		500		500				
<b>Regular Programs - Undistributed Instruction</b>									
Purchased Technical Services	16,300	6,632	22,932	14,493	8,439				
Other Purchased Services	235,849	(8,217)	227,632	153,014	74,618				
General Supplies	634,845	1,496	636,341	521,688	114,653				
Textbooks	65,922	(38,060)	27,862	21,715	6,147				
Other Objects	10,440		10,440	6,136	4,304				
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>7,446,889</b>	<b>547,671</b>	<b>7,994,560</b>	<b>6,844,269</b>	<b>1,150,291</b>				
<b>SPECIAL EDUCATION - INSTRUCTION</b>									
<b>Learning and/or Language Disabilities:</b>									
Salaries of Teachers	97,665	9,838	107,503	94,634	12,869				
Other Salaries for Instruction	31,202	4,650	35,852	29,452	6,400				
Other Purchased Services		360	360	360					
General Supplies	400		400	397	3				
<b>Total Learning and/or Language Disabilities</b>	<b>129,267</b>	<b>14,848</b>	<b>144,115</b>	<b>124,843</b>	<b>19,272</b>				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2016						
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 15-16 Actual	Variance Final to Actual	
<b>Auditory Impairments</b>						
General Supplies						
<b>Total Auditory Impairments</b>						
<b>Multiple Disabilities:</b>						
Salaries of Teachers	258,971	46,690	305,661	266,029	39,632	
Other Salaries for Instruction	33,102	4,650	37,752	12,070	25,682	
General Supplies	4,849	(2,050)	2,799	1,428	1,371	
<b>Total Multiple Disabilities</b>	296,922	49,290	346,212	279,527	66,685	
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	1,495,101	63,106	1,558,207	1,391,429	166,778	
Other Salaries for Instruction	78,580	34,743	113,323	66,558	46,765	
General Supplies	14,216	(4,913)	9,303	6,733	2,570	
Other Purchased Services		1,440	1,440	1,440		
<b>Total Resource Room/Resource Center</b>	1,587,897	94,376	1,682,273	1,466,160	216,113	
<b>Autism:</b>						
Salaries of Teachers	184,160	18,635	202,795	174,257	28,538	
Other Salaries for Instruction	33,002	1,395	34,397	3,885	30,512	
General Supplies	5,807	300	6,107	2,319	3,788	
<b>Total Autism</b>	222,969	20,330	243,299	180,461	62,838	



Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2016									
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual				
<b>SPECIAL EDUCATION - INSTRUCTION (Continued)</b>									
<b>Preschool Disabilities - Part-Time:</b>									
Salaries of Teachers	90,238		90,238	89,673	565				
Other Salaries for Instruction	63,105	1,846	64,951	53,235	11,716				
General Supplies	1,919		1,919	743	1,176				
<b>Total Preschool Disabilities - Part-Time</b>	<b>155,262</b>	<b>1,846</b>	<b>157,108</b>	<b>143,651</b>	<b>13,457</b>				
<b>Preschool Disabilities - Full-Time:</b>									
Salaries of Teachers	162,891	69,942	232,833	203,943	28,890				
Other Salaries for Instruction	44,711	47,131	91,842	67,556	24,286				
General Supplies	3,242	(250)	2,992	2,306	686				
<b>Total Preschool Disabilities - Full-Time</b>	<b>210,844</b>	<b>116,823</b>	<b>327,667</b>	<b>273,805</b>	<b>53,862</b>				
<b>Special Education - Home Instruction</b>									
Salaries of Teachers	42,370		42,370	40,017	2,353				
Purchased Professional-Educational Services	6,300	1,403	7,703	94	7,609				
Other Purchased Services (400-500) Series	200		200	200					
<b>Total Home Instruction</b>	<b>48,870</b>	<b>1,403</b>	<b>50,273</b>	<b>40,111</b>	<b>10,162</b>				
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>2,652,031</b>	<b>298,916</b>	<b>2,950,947</b>	<b>2,508,558</b>	<b>442,389</b>				
<b>Basic Skills/Remedial - Instruction</b>									
Salaries of Teachers	359,546	(21,346)	338,200	313,155	25,045				
General Supplies	3,993		3,993	1,993	2,000				
<b>Total Basic Skills/Remedial - Instruction</b>	<b>363,539</b>	<b>(21,346)</b>	<b>342,193</b>	<b>315,148</b>	<b>27,045</b>				
<b>Bilingual Education - Instruction</b>									
Salaries of Teachers	55,976	14,964	70,940	52,248	18,692				
General Supplies	3,000		3,000	2,402	598				
<b>Total Bilingual Education - Instruction</b>	<b>58,976</b>	<b>14,964</b>	<b>73,940</b>	<b>54,650</b>	<b>19,290</b>				
<b>School-Sponsored Cocurricular Activities - Instruction</b>									
Salaries	85,666		85,666	71,792	13,874				
Supplies and Materials	6,701	1	6,702	3,766	2,936				
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>92,367</b>	<b>1</b>	<b>92,368</b>	<b>75,558</b>	<b>16,810</b>				
<b>School-Sponsored Athletics - Instruction</b>									
Salaries	47,299		47,299	36,167	11,132				
Purchased Services (300-500 series)	11,800		11,800	9,801	1,999				
Supplies and Materials	7,138	461	7,599	6,751	848				
Other Objects	1,300		1,300	1,300					
<b>Total Other Instructional Programs - Instruction</b>	<b>67,537</b>	<b>461</b>	<b>67,998</b>	<b>52,719</b>	<b>15,279</b>				
<b>TOTAL INSTRUCTION</b>	<b>10,681,339</b>	<b>840,667</b>	<b>11,522,006</b>	<b>9,850,902</b>	<b>1,671,104</b>				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2016						
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual	
<b>Undistributed Expenditures - Instruction:</b>						
Tuition to State- Regular						
Tuition to Other LEAs Within the State-Special	191,062	2,132	193,194	156,038	37,156	
Tuition to Private Schools for the Handicapped - Within State	596,236	(38,646)	557,590	508,135	49,455	
<b>Total Undistributed Expenditures - Instruction:</b>	<b>787,298</b>	<b>(36,514)</b>	<b>750,784</b>	<b>664,173</b>	<b>86,611</b>	
<b>Undist. Expend. - Health Services</b>						
Salaries	328,139	(17,876)	310,263	262,304	47,959	
Purchased Professional and Technical Services	9,870	38,443	48,313	42,146	6,167	
Other Purchased Services (400-500 series)	30,050	(2,690)	27,360	10,924	16,436	
Supplies and Materials	5,735	1,420	7,155	5,425	1,730	
<b>Total Undistributed Expenditures - Health Services</b>	<b>373,794</b>	<b>19,297</b>	<b>393,091</b>	<b>320,799</b>	<b>72,292</b>	
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>						
Salaries	471,430	51,224	522,654	355,607	167,047	
Purchased Professional - Educational Services	165,150	(4,688)	160,462	117,313	43,149	
Supplies and Materials	4,614		4,614	2,325	2,289	
Other Objects	600		600		600	
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<b>641,794</b>	<b>46,536</b>	<b>688,330</b>	<b>475,245</b>	<b>213,085</b>	
<b>Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>						
Salaries	1,347,583	55,455	1,403,038	1,233,425	169,613	
Purchased Professional - Educational Services	5,050	(50)	5,000	2,250	2,750	
Supplies and Materials	250	50	300		300	
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>	<b>1,352,883</b>	<b>55,455</b>	<b>1,408,338</b>	<b>1,235,675</b>	<b>172,663</b>	
<b>Undist. Expend. - Guidance</b>						
Salaries of Other Professional Staff	215,544	36,512	252,056	215,454	36,602	
Salaries of Secretarial and Clerical Assistants	200		200	70	130	
Purchased Professional - Educational Services	6,000	509	6,509	4,513	1,996	
Other Purchased Prof. and Tech. Services	29,700	(8,965)	20,735		20,735	
Other Purchased Services (400-500 series)	8,476		8,476		8,476	
Supplies and Materials	3,391	(1,035)	2,356	1,282	1,074	
Other Objects						
<b>Total Undist. Expend. - Guidance</b>	<b>263,311</b>	<b>27,021</b>	<b>290,332</b>	<b>221,319</b>	<b>69,013</b>	
<b>Undist. Expend. - Child Study Teams</b>						
Salaries of Other Professional Staff	538,014	15,107	553,121	432,745	120,376	
Other Salaries	59,759		59,759	25,015	34,744	
Purchased Professional - Educational Services	165,240	(7,894)	157,346	109,923	47,423	
Other Purchased Prof. and Tech. Services	1,000		1,000		1,000	
Miscellaneous Purchased Services (400-500 series O/ than Resid Costs)	10,190	197	10,387	9,024	1,363	
Supplies and Materials	14,470		14,470	12,830	1,640	
Other Objects	2,829		2,829	2,308	521	
<b>Total Undist. Expend. - Child Study Team</b>	<b>791,502</b>	<b>7,410</b>	<b>798,912</b>	<b>591,845</b>	<b>207,067</b>	

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2016									
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual				
<b>Undist. Expend. - Improvement of Instructional Services</b>									
Salaries of Supervisor of Instruction	215,011	14,138	229,149	224,149	5,000				
Salaries of Other Professional Staff	5,000	(5,000)							
Salaries of Secretarial and Clerical Assistants	54,941	1	54,942	54,941	1				
Other Salaries	165,187	(5,113)	160,074	139,437	20,637				
Salaries of Facilitators, Math and Literacy Coaches	73,654	18,051	91,705	78,781	12,924				
Purchased Prof- Educational Services	5,500	(700)	4,800		4,800				
Other Purchased Prof. and Tech. Services	5,000		5,000	5,000					
Other Purch Services (400-500)	15,000	200	15,200	10,392	4,808				
Supplies and Materials	2,240	4,194	6,434	5,647	787				
Other Objects	510	500	1,010	762	248				
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>542,043</b>	<b>26,271</b>	<b>568,314</b>	<b>519,109</b>	<b>49,205</b>				
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>									
Salaries	199,182	15,175	214,357	190,711	23,646				
Purchased Professional and Technical Services	5,250		5,250	4,111	1,139				
Other Purchased Services (400-500 series)	1,050		1,050		1,050				
Supplies and Materials	14,979	6,626	21,605	15,605	6,000				
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>220,461</b>	<b>21,801</b>	<b>242,262</b>	<b>210,427</b>	<b>31,835</b>				
<b>Undist. Expend. - Instructional Staff Training Serv.</b>									
Salaries of Other Professional Staff	67,245		67,245	61,518	5,727				
Purchased Professional - Educational Services	77,010	(3,952)	73,058	25,588	47,470				
Other Purchased Services (400-500 series)	4,931	359	5,290	2,218	3,072				
Other Objects	15,780	6,613	22,393	12,676	9,717				
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>164,966</b>	<b>3,020</b>	<b>167,986</b>	<b>102,000</b>	<b>65,986</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2016									
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual				
<b>Undist. Expend. - Supp. Serv. - General Administration</b>									
Salaries	257,359	1	257,360	234,384	22,976				
Legal Services	48,000	23,133	71,133	71,131	2				
Audit Fees	32,150		32,150	29,300	2,850				
Architectural/Engineering Services	21,000	49,421	70,421	70,421	70,421				
Other Purchased Professional Services	26,000	(15,492)	10,508	8,993	1,515				
Purchased Technical Services	46,449	3,792	50,241	25,234	25,007				
Other Purch Prof. and Tech. Services									
Communications/Telephone	97,860	(4,993)	92,867	85,196	7,671				
BOE Other Purchased Services	4,000	345	4,345	2,636	1,709				
Miscellaneous Purchased Services (400-500) [Other than 530 & 585]	73,122	(5,845)	67,277	60,572	6,705				
General Supplies	13,200	(2,228)	10,972	3,777	7,195				
BOE Training/Meeting Supplies	1,000	25	1,025	124	901				
Judgments Against the School District	10,000	10,000	20,000		20,000				
Miscellaneous Expenditures	14,000	485	14,485	11,365	3,120				
BOE Membership Dues/Fees	14,250		14,250	13,447	803				
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>658,390</b>	<b>58,644</b>	<b>717,034</b>	<b>546,159</b>	<b>170,875</b>				
<b>Undist. Expend. - Support Serv. - School Administration</b>									
Salaries of Principals/Assistant Principals	356,286	14,722	371,008	357,607	13,401				
Salaries of Other Professional Staff	118,285	1,502	119,787	119,551	236				
Salaries of Secretarial and Clerical Assistants	444,942	1,170	446,112	410,740	35,372				
Other Salaries	8,710		8,710	8,230	480				
Purchased Professional and Technical Services	250	750	1,000	303	697				
Other Purchased Services (400-500 series)	8,150	(469)	7,681	533	7,148				
Supplies and Materials	25,086	4,425	29,511	18,661	10,850				
Other Objects	11,043	(466)	10,577	6,855	3,722				
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>972,752</b>	<b>21,634</b>	<b>994,386</b>	<b>922,480</b>	<b>71,906</b>				
<b>Undistributed Expenditures Central Services</b>									
Salaries	330,784	2,108	332,892	325,452	7,440				
Purchased Technical Service	13,442	2,172	15,614	14,75	1,475				
Misc. Purchased Serv. (400-500) O/T 594	21,350	3,000	24,350	17,432	6,918				
Supplies and Materials	10,000	72	10,072	5,750	4,322				
Miscellaneous Expenditures	5,400	8,702	14,102	11,814	2,288				
<b>Total Undistributed Expenditures Central Services</b>	<b>380,976</b>	<b>16,054</b>	<b>397,030</b>	<b>361,923</b>	<b>35,107</b>				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2016									
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual				
<b>Undistributed Expenditures Admin Info Tech</b>									
Salaries	70,742		70,742	70,742					
Purchased Technical Services	15,000	27,671	42,671	15,976	26,695				
Other Purchased Services (400-500 series)	17,750	410	18,160	325	17,835				
Supplies and Materials	20,000	(5,375)	14,625	5,216	9,409				
Other Objects	750		750	133	617				
<b>Total Undistributed Expenditures Admin Info Tech</b>	<b>124,242</b>	<b>22,706</b>	<b>146,948</b>	<b>92,392</b>	<b>54,556</b>				
<b>Undist. Expend. - Required Maint. for School Facilities</b>									
Cleaning, Repair and Maintenance Services	450,198	59,381	509,579	362,727	146,852				
General Supplies	75,000	13,413	88,413	63,016	25,397				
Other Objects	900	200	1,100	270	830				
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>526,098</b>	<b>72,994</b>	<b>599,092</b>	<b>426,013</b>	<b>173,079</b>				
<b>Undist. Expend. - Custodial Services</b>									
Salaries	25,601	446	26,047	6,459	19,588				
Salaries of Non-Instructional Aides	73,412	1,053	74,465	51,867	22,598				
Purchased Professional and Technical Services	26,900	7,567	34,467	5,603	28,864				
Cleaning, Repair and Maintenance Services	679,097	14,681	693,778	668,919	24,859				
Other Purchased Property Services	49,500	545	50,045	42,321	7,724				
Insurance	78,714	(10,800)	67,914	66,019	1,895				
General Supplies	48,300	4,189	52,489	21,793	30,696				
Energy (Natural Gas)	208,900	(27,065)	181,835	124,345	57,490				
Energy (Electricity)	295,400	(13,535)	281,865	241,146	40,719				
Other Objects	1,000	200	1,200	451	749				
<b>Total Undist. Expend. - Custodial Services</b>	<b>1,486,824</b>	<b>(22,719)</b>	<b>1,464,105</b>	<b>1,228,923</b>	<b>235,182</b>				
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>									
Purchased Professional and Technical Services	111,009	4,500	115,509	114,758	751				
Cleaning, Repair and Maintenance Services	5,000		5,000	3,005	1,995				
General Supplies	19,000		19,000	10,273	8,727				
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<b>135,009</b>	<b>4,500</b>	<b>139,509</b>	<b>128,036</b>	<b>11,473</b>				
<b>Undist. Expend. - Security</b>									
Repair and Maintenance	6,000		6,000	794	5,206				
Purchased Professional and Technical Services	2,500		2,500	986	1,514				
General Supplies	20,000		20,000	1,064	18,936				
<b>Total Undist. Expend. - Security</b>	<b>28,500</b>		<b>28,500</b>	<b>2,844</b>	<b>25,656</b>				
<b>Total Undist. Expend-Oper &amp; Maint of Plant Services</b>	<b>2,176,431</b>	<b>54,775</b>	<b>2,231,206</b>	<b>1,785,816</b>	<b>445,390</b>				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2016						
	Original Budget	Transfers/Adjustments	Final Budget	15-16 Actual	Variance Final to Actual	
<b>Undist. Expend. - Student Transportation Services</b>						
Contracted Services (Between Home & School)-Vendors	1,081,257	(37,228)	1,044,029	790,349	253,680	
Contract Services (Other than Between Home & School)-Vendors	51,957		51,957	27,853	24,104	
Contracted Services (Between Home & School)-Joint Agreements	229,240	36,686	265,926	193,848	72,078	
Contracted Services (Special Ed. Students)-Vendors	465,069	(20,000)	445,069	395,988	49,081	
Contracted Services (Special Ed. Students)-Joint Agreements	33,862	(3,606)	30,256	20,625	9,631	
Contracted Services (Special Ed. Students)-ESCs & CTSAs	360,534	35,654	396,188	362,445	33,743	
Misc. Purchased Services-Transportation	6,000		6,000	2,980	3,020	
Transportation Supplies	4,500		4,500	2,993	1,507	
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>2,232,419</b>	<b>11,506</b>	<b>2,243,925</b>	<b>1,797,081</b>	<b>446,844</b>	
<b>UNALLOCATED BENEFITS</b>						
Social Security Contributions	304,227	16,523	320,750	280,500	40,250	
Other Retirement Contributions-PERS	275,875	(10,766)	265,109	264,923	186	
Unemployment Compensation	55,000	4,263	59,263	59,182	81	
Workmen's Compensation	120,808	(17,000)	103,808	103,384	424	
Health Benefits	3,962,496	(9,561)	3,952,935	3,523,505	429,430	
Tuition Reimbursement	57,000	82,634	139,634	69,997	69,637	
Other Employee Benefits	34,500	89,188	123,688	120,465	3,223	
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>4,809,906</b>	<b>155,281</b>	<b>4,965,187</b>	<b>4,421,956</b>	<b>543,231</b>	
<b>ON-BEHALF CONTRIBUTIONS</b>						
On-behalf TPAF NCGI Premium (non-budgeted)				38,524	(38,524)	
On-behalf TPAF Post-Retirement Medical (non-budgeted)				966,733	(966,733)	
On-behalf TPAF Premium				773,363	(773,363)	
Reimbursed TPAF Social Security Contributions (non-budgeted)				748,829	(748,829)	
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>2,527,449</b>	<b>(2,527,449)</b>	
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>4,809,906</b>	<b>155,281</b>	<b>4,965,187</b>	<b>6,949,405</b>	<b>(1,984,218)</b>	
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>16,493,168</b>	<b>510,897</b>	<b>17,004,065</b>	<b>16,795,848</b>	<b>208,217</b>	
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>27,174,507</b>	<b>1,351,564</b>	<b>28,526,071</b>	<b>26,646,750</b>	<b>1,879,321</b>	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2016						
	Original Budget	Transfers/ Adjustments	Final Budget	15-16 Actual	Variance Final to Actual	
<b>CAPITAL OUTLAY</b>						
<b>Equipment:</b>						
Undist. Expend.-Grades 6-8		1,160	1,160		1,160	
Undist. Expend.-Instruction	10,000	(3,025)	6,975	3,759	3,216	
Undist. Expend.-Admin Info Tech.	10,000		10,000		10,000	
Undist. Expend.-Require Maint. For School Fac.	10,000	3,024	3,024	6,719	3,281	
Undist. Expend.-District Tech.		1,159	31,159	10,978	2,524	
<b>Total Equipment</b>	30,000				20,181	
<b>Facilities Acquisition and Construction Services</b>						
Architectural/Engineering Services	2,000	3,493	5,493		5,493	
Other Purchased Professional and Technical Services		41,340	41,340	40,504	836	
Construction Services	15,000	71,156	86,156	60,918	25,238	
Supplies & Materials	5,000	95,500	100,500	100,000	500	
Assessment for Debt Service SDA Funding	17,762		17,762	17,762		
<b>Total Facilities Acquisition and Construction Services</b>	39,762	211,489	251,251	219,184	32,067	
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>						
<b>Undistributed Expenditures</b>						
Instructional Equipment						
<b>TOTAL CAPITAL OUTLAY</b>	69,762	212,648	282,410	230,162	52,248	
<b>TOTAL EXPENDITURES</b>	27,244,269	1,564,212	28,808,481	26,876,912	1,931,569	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,592,966)	(1,564,212)	(4,157,178)	910,472	5,067,650	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2016						
	Original Budget	Transfers/ Adjustments	Final Budget	Budget 15-16 Actual	Variance Final to Actual	
<b>Other Financing Sources/(Uses):</b>						
Operating Transfer In (Out):						
Transfer from Capital Project Fund	(849,860)	(195,350)	(1,045,210)	362,634	362,634	
Transfer to Capital Project Fund				(753,423)	291,787	
Cancellation of Previous Year's Accounts Payable	(849,860)	(195,350)	(1,045,210)	1,059,155	1,059,155	
<b>Total Other Financing Sources/(Uses):</b>				668,366	1,713,576	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(3,442,826)	(1,759,562)	(5,202,388)	1,578,838	6,781,226	
<b>Fund Balance, July 1</b>	11,161,795		11,161,795	11,161,795		
<b>Fund Balance, June 30</b>	7,718,969	(1,759,562)	5,959,407	12,740,633	6,781,226	
<b>Reconciliation:</b>						
Adjustment for prior years encumbrances		(1,759,562)	(1,759,562)	(1,759,562)		
Transfer from Capital Project Fund				362,634	362,634	
Transfer to Capital Reserve				1,100,000	1,100,000	
Transfer to Maintenance Reserve				500,000	500,000	
Withdrawal from Capital Reserve Principal	(849,860)		(849,860)	(854,374)	(4,514)	
Withdrawal from Maintenance Reserve Principal	(178,500)		(178,500)	(91,866)	86,634	
Budgeted Fund Balances	(2,414,466)		(2,414,466)	2,322,006	4,736,472	
<b>Total</b>	(3,442,826)	(1,759,562)	(5,202,388)	1,578,838	6,781,226	
<b>Recapitulation:</b>						
<b>Restricted Fund Balance:</b>						
Capital Reserve				2,797,183		
Maintenance Reserve				1,634,416		
Emergency Reserve				250,000		
Impact Aid				53,233		
Excess Surplus - Designated for Subsequent Year's Expenditures				2,021,509		
Excess Surplus - Current Year				2,700,553		
<b>Assigned Fund Balance:</b>						
Year-End Encumbrances				1,841,112		
Designated for Subsequent Year's Expenditures-Fund Balance Appropriated				629,607		
<b>Unassigned Fund Balance</b>				813,020		
<b>Total</b>				12,740,633		
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(351,420)		
Fund Balance per Governmental Funds (GAAP)				12,389,213		



Tinton Falls School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		33,371	33,371	39,826	6,455
State Sources	65,293	64,965	130,258	132,933	2,675
Federal Sources	499,265	155,855	655,120	579,269	(75,851)
<b>Total Revenues</b>	<b>564,558</b>	<b>254,191</b>	<b>818,749</b>	<b>752,028</b>	<b>(66,721)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	96,960	4,626	101,586	113,433	(11,847)
Salaries of Other Professional Staff					
Other Salaries for Instruction				18,635	(18,635)
Purchased Professional - Educational Services	107,598	(39,953)	67,645	72,200	(4,555)
Purchased Professional and Technical Services				290,135	(280,221)
Other Purchased Services (400-500 series)		9,914	9,914	7,322	21,748
General Supplies		29,070	29,070	21,240	5,187
Textbooks		26,427	26,427	37,821	(28,563)
Other Objects		9,258	9,258	560,786	(316,880)
<b>Total Instruction</b>	<b>204,558</b>	<b>39,342</b>	<b>243,900</b>		
<b>Support Services:</b>					
Salaries		13,776	13,776		13,776
Personal Services - Employee Benefits		19,789	19,789	23,970	(4,181)
Purchased Professional & Technical Services		15,417	15,417	12,004	3,413
Purchased Professional - Educational Services		88,414	88,414	153,972	(65,558)
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	1,229	(201)
Other Objects				67	(67)
<b>Total Support Services</b>	<b>360,000</b>	<b>214,849</b>	<b>574,849</b>	<b>191,242</b>	<b>383,607</b>
<b>Facilities Acquisition and Const. Serv.:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Const. Serv.</b>					
Total Expenditures	<b>564,558</b>	<b>254,191</b>	<b>818,749</b>	<b>752,028</b>	<b>66,721</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**Tinton Falls School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Year Ended June 30, 2016**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	27,787,384	752,028
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.		352,624	
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).		(351,420)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	27,788,588	752,028
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	26,876,912	752,028
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]	26,876,912	752,028

**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\**

	<u>2016</u>	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.0291305962%	0.0289024950%
District's proportionate share of the net pension liability (asset)	\$ 6,539,235	\$ 5,411,338
District's covered payroll - PERS	\$ 1,944,818	\$ 1,982,147
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	336.24%	273.00%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	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\*

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 250,445.00	\$ 238,268.00
Contributions in relation to the contractually required contribution	<u>\$ (250,445.00)</u>	<u>\$ (238,268.00)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll - PERS	\$ 1,944,818	\$ 1,982,147
Contributions as a percentage of covered payroll	12.88%	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\*

	2016	2015
Districts proportion of the net pension liability (asset)	0.1071318514%	0.10842544465%
District's proportionate share of the net pension liability (asset)	\$ 67,711,905	\$ 57,949,872
District's covered payroll - PERS	\$ 9,781,169	\$ 9,802,382
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	692.27%	591.18%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	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, 2016**

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.

## **Supplementary Schedules**



**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, 2016

	Total Brought Forward (Ex. E-1a)	Title I, Part A 2015-16	Title II, Part A 2015-16	Title III 2015-16	Totals 2016
<b>REVENUES</b>					
Local Sources	39,826				39,826
State Sources	132,933				132,933
Federal Sources	419,869	128,872	23,241	7,287	579,269
<b>Total Revenues</b>	<b>592,628</b>	<b>128,872</b>	<b>23,241</b>	<b>7,287</b>	<b>752,028</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	11,948	96,938		4,547	113,433
Salaries of Other Professional Staff					
Other Salaries for Instruction	18,635				18,635
Purchased Professional - Educational Services	72,200				72,200
Purchased Professional and Technical Services					
Other Purchased Services (400-500 series)	282,884	7,251			290,135
General Supplies	2,155	2,494		2,673	7,322
Textbooks	21,240				21,240
Other Objects	37,821				37,821
<b>Total Instruction</b>	<b>446,883</b>	<b>106,683</b>		<b>7,220</b>	<b>560,786</b>
<b>Support Services:</b>					
Salaries					
Personal Services - Employee Benefits	2,281	21,689			23,970
Purchased Professional & Technical Services	12,004				12,004
Purchased Professional - Educational Services	130,731		23,241		153,972
Purchased Technical Services					
Other Purchased Services (400-500 series)	729	500		67	1,229
Supplies & Materials					
Other Objects					
<b>Total Support Services</b>	<b>145,745</b>	<b>22,189</b>	<b>23,241</b>	<b>67</b>	<b>191,242</b>
<b>Facilities Acquisition and Const. Serv.:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Const. Serv.</b>					
<b>Total Expenditures</b>	<b>592,628</b>	<b>128,872</b>	<b>23,241</b>	<b>7,287</b>	<b>752,028</b>
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, 2016

	Total Brought Forward (Ex. E-1b)	IDEA Part B, Basic 2015-16	IDEA Preschool 2015-16	Non-Public Home Instruction	Non-Public Security	Total Carried Forward
<b>REVENUES</b>						
Local Sources	39,826					39,826
State Sources	109,143		19,567	4,330	19,460	132,933
Federal Sources	-	400,302				419,869
<b>Total Revenues</b>	<b>148,969</b>	<b>400,302</b>	<b>19,567</b>	<b>4,330</b>	<b>19,460</b>	<b>592,628</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-	11,948				11,948
Salaries of Other Professional Staff	-	458	18,177			18,635
Other Salaries for Instruction	450	71,750				72,200
Purchased Professional - Educational Services	-					-
Purchased Professional and Technical Services	400	282,484				282,884
Other Purchased Services (400-500 series)	1,155	1,000				2,155
General Supplies	21,240					21,240
Textbooks						
Other Objects	37,821					37,821
<b>Total Instruction</b>	<b>61,066</b>	<b>367,640</b>	<b>18,177</b>	<b>-</b>	<b>-</b>	<b>446,883</b>
<b>Support services:</b>						
Salaries	-	891	1,390			2,281
Personal Services - Employee Benefits	-					-
Purchased Professional & Technical Services	12,004					12,004
Purchased Professional - Educational Services	75,899	31,042		4,330	19,460	130,731
Purchased Technical Services	-					-
Other Purchased Services (400-500 series)	-					-
Supplies & Materials	-	729				729
Other Objects	-					-
<b>Total Support Services</b>	<b>87,903</b>	<b>32,662</b>	<b>1,390</b>	<b>4,330</b>	<b>19,460</b>	<b>145,745</b>
<b>Facilities Acquisition and Const. Serv.:</b>						
Instructional Equipment	-					-
<b>Total Facilities Acquisition and Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>148,969</b>	<b>400,302</b>	<b>19,567</b>	<b>4,330</b>	<b>19,460</b>	<b>592,628</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Tinton Falls School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2016

	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
<b>REVENUES</b>								
Local Sources	12,004	21,240	27,980	23,524	9,988	14,407	39,826	39,826
State Sources								109,143
Federal Sources								-
<b>Total Revenues</b>	<b>12,004</b>	<b>21,240</b>	<b>27,980</b>	<b>23,524</b>	<b>9,988</b>	<b>14,407</b>	<b>39,826</b>	<b>148,969</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers								-
Salaries of Other Professional Staff								-
Other Salaries for Instruction								-
Purchased Professional - Educational Services							450	450
Purchased Professional and Technical Services							400	400
Other Purchased Services (400-500 series)							1,155	1,155
General Supplies		21,240						21,240
Textbooks								37,821
Other Objects								
<b>Total Instruction</b>	-	21,240	-	-	-	-	39,826	61,066
<b>Support Services:</b>								
Salaries								-
Personal Services - Employee Benefits								-
Purchased Professional & Technical Services	12,004							12,004
Purchased Professional - Educational Services			27,980	23,524	9,988	14,407		75,899
Purchased Technical Services								-
Other Purchased Services (400-500 series)								-
Supplies & Materials								-
Other Objects								-
<b>Total Support Services</b>	12,004	-	27,980	23,524	9,988	14,407	-	87,903
<b>Facilities Acquisition and Const. Serv.:</b>								
Instructional Equipment								-
<b>Total Facilities Acquisition and Const. Serv.</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>12,004</b>	<b>21,240</b>	<b>27,980</b>	<b>23,524</b>	<b>9,988</b>	<b>14,407</b>	<b>39,826</b>	<b>148,969</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-	-	-	-	-	-	-

**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, 2016**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	\$	
Bond proceeds and transfers		
Interest on Investments		5,195
Transfer from capital reserve		753,423
Transfer from capital outlay		-
Total revenues		758,618

**Expenditures and Other Financing Uses**

Purchased professional and technical services		65,574
Land and Improvements		-
Construction Services		504,096
Equipment Purchases		183,753
Total expenditures		753,423

Excess (deficiency) of revenues over (under) expenditures 5,195

Transfers out		(367,830)
Cancelled Receivable from SDA		(94,418)
Fund balance - beginning		3,720,098

Fund balance - ending \$ 3,263,045

Recapitulation:

Unrestricted Fund Balance 3,263,045

Reconciliation to Governmental Funds Statements (GAAP):  
 SDA Grant Receivable not Recognized on GAAP Basis (1,259,894)

Fund Balance per Governmental Funds (GAAP) 2,003,151

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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	393,158	-	393,158	393,158
Equipment purchases	-	-	-	-
Total expenditures	393,158	-	393,158	393,158
<b>Transfer to General Fund</b>		10,209	10,209	10,209
Excess (deficiency) of revenues over (under) expenditures	\$ 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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 299,943	\$ (73,457)	\$ 226,486	\$ 226,486
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>(73,457)</u>	<u>676,486</u>	<u>676,486</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	48,092	-	48,092	48,092
Land and Improvements	-	-	-	-
Construction Services	500,000	-	500,000	500,000
Equipment purchases	-	-	-	-
Total expenditures	<u>548,092</u>	<u>-</u>	<u>548,092</u>	<u>548,092</u>
<b>Transfer to General Fund</b>		128,394	128,394	128,394
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 201,851</u>	<u>\$ (73,457)</u>	<u>\$ -</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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	119,306	-	119,306	119,306
Equipment purchases	-	-	-	-
Total expenditures	<u>119,306</u>	<u>-</u>	<u>119,306</u>	<u>119,306</u>
<b>Transfer to General Fund</b>		<u>3,820</u>	<u>3,820</u>	<u>3,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,820</u>	<u>\$ -</u>	<u>\$ -</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, 2016**

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 41,922	\$ (20,961)	\$ 20,961	\$ 20,961
Bond proceeds and transfers	-	-	-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	41,922	(20,961)	20,961	20,961
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	-
<b>Transfer to General Fund</b>		20,961	20,961	20,961
Excess (deficiency) of revenues over (under) expenditures	\$ 41,922	\$ (20,961)	\$ -	\$ -

**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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	138,787	-	138,787	138,787
Equipment purchases	-	-	-	-
Total expenditures	<u>138,787</u>	<u>-</u>	<u>138,787</u>	<u>138,787</u>
<b>Transfer to General Fund</b>		<u>199,251</u>	<u>199,251</u>	<u>199,251</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>199,251</u>	\$ <u>-</u>	\$ <u>-</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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,603,200	\$ -	\$ 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	4,009,062	-	4,009,062	4,009,062
<b>Expenditures and Other Financing Uses</b>				
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	2,685,058	-	2,685,058	2,685,058
Excess (deficiency) of revenues over (under) expenditures	\$ 1,324,004	\$ -	\$ 1,324,004	\$ 1,324,004
<b>Additional project information:</b>				
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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,406,720	\$ -	\$ 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>3,532,525</u>	<u>-</u>	<u>3,532,525</u>	<u>3,532,525</u>
<b>Expenditures and Other Financing Uses</b>				
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>\$ 689,879</u>	<u>\$ -</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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 360,880	\$ -	\$ 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>902,200</u>	<u>-</u>	<u>902,200</u>	<u>902,200</u>
<b>Expenditures and Other Financing Uses</b>				
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>\$ -</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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 728,000	\$ -	\$ 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>1,858,054</u>	<u>-</u>	<u>1,858,054</u>	<u>1,858,054</u>
<b>Expenditures and Other Financing Uses</b>				
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>\$ 427,059</u>	<u>\$ -</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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
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, 2016**

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and Other Financing Sources</b>				
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	200,000	-	200,000	200,000
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	-
Land and Improvements	-	-	-	-
Construction Services	56,846		56,846	56,846
Equipment purchases	-	-	-	-
Total expenditures	56,846	-	56,846	56,846
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 143,154	\$ 143,154

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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	<u>190,000</u>	<u>-</u>	<u>190,000</u>	<u>190,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	-
Land and Improvements	-	-	-	-
Construction Services	50,536		50,536	50,536
Equipment purchases	-	-	-	-
Total expenditures	<u>50,536</u>	<u>-</u>	<u>50,536</u>	<u>50,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 58,472</u>	<u>\$ -</u>	<u>\$ 139,464</u>	<u>\$ 139,464</u>

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	69,355	-	69,355	69,355
Equipment purchases	-	-	-	-
Total expenditures	<u>69,355</u>	<u>-</u>	<u>69,355</u>	<u>69,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</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

Tinton Falls School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Various Capital Projects  
 For the Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers			-	-
Contribution from private source	-	-	-	-
Transfer from capital reserve		753,423	753,423	753,423
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>753,423</u>	<u>753,423</u>	<u>753,423</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		65,574	65,574	65,574
Land and Improvements	-	-	-	-
Construction Services		504,096	504,096	504,096
Equipment purchases	-	183,753	183,753	183,753
Total expenditures	<u>-</u>	<u>753,423</u>	<u>753,423</u>	<u>753,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PROPRIETARY FUNDS**

**Tinton Falls School District**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2016**

	<b>Food Service Program</b>	<b>Time + Program</b>	<b>Kindergarten Enrichment Program</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	182,088	665,314	588,096	1,435,498
Accounts Receivable:				
State	418			418
Federal	9,680			9,680
Interfund-Accounts Receivable	27,387			27,387
Inventory	3,570			3,570
Total Current Assets	<u>223,143</u>	<u>665,314</u>	<u>588,096</u>	<u>1,476,553</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	31,316			31,316
Less Accumulated Depreciation	<u>(26,097)</u>			<u>(26,097)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,219</u>	-	-	<u>5,219</u>
Total Assets	<u><u>228,362</u></u>	<u><u>665,314</u></u>	<u><u>588,096</u></u>	<u><u>1,481,772</u></u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	65,514	2,062		67,576
Deferred Revenue	<u>11,108</u>			<u>11,108</u>
Total Current Liabilities	<u>76,622</u>	<u>2,062</u>	-	<u>78,684</u>
Total Liabilities	<u>76,622</u>	<u>2,062</u>	-	<u>78,684</u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	5,219			5,219
Unrestricted	<u>146,521</u>	<u>663,252</u>	<u>588,096</u>	<u>1,397,869</u>
Total Net Position	<u><u>151,740</u></u>	<u><u>663,252</u></u>	<u><u>588,096</u></u>	<u><u>1,403,088</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, 2016**

	<b>Food Service Program</b>	<b>Time + Program</b>	<b>Kindergarten Enrichment Program</b>	<b>Totals</b>
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	198,197			198,197
Daily Sales - Non-Reimbursable Programs	99,313			99,313
Miscellaneous	5,470	244,120	10,453	260,043
Total Operating Revenues	<u>302,980</u>	<u>244,120</u>	<u>10,453</u>	<u>557,553</u>
Operating Expenses:				
Cost of Sales	261,714			261,714
Labor	187,593	117,524	1,074	306,191
Supplies and Materials	14,393	3,428		17,821
Employee Benefits	11,955	11,000	82	23,037
Miscellaneous Expense	3,908	629	390	4,927
Depreciation	1,043			1,043
Total Operating Expenses	<u>480,606</u>	<u>132,581</u>	<u>1,546</u>	<u>614,733</u>
Operating Income (Loss)	(177,626)	111,539	8,907	(57,180)
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	5,020			5,020
Federal Sources:				
National School Lunch Program	144,506			144,506
National School Breakfast Program	16,904			16,904
Food Distribution Program	38,238			38,238
Total Non-operating Revenues (Expenses)	<u>204,668</u>	<u>-</u>	<u>-</u>	<u>204,668</u>
Income (Loss) Before Contributions & Transfers	27,042	111,539	8,907	147,488
Transfers In (Out)				
Change in Net Position	<u>27,042</u>	<u>111,539</u>	<u>8,907</u>	<u>147,488</u>
Total Net Position - Beginning	<u>124,698</u>	<u>551,713</u>	<u>579,189</u>	<u>1,255,600</u>
Total Net Position—Ending	<u><u>151,740</u></u>	<u><u>663,252</u></u>	<u><u>588,096</u></u>	<u><u>1,403,088</u></u>

**Tinton Falls School District**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2016**

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	304,868	244,120		548,988
Payments to employees		(127,671)	(1,074)	(128,745)
Payments for Miscellaneous Expenses		(15,057)	(472)	(15,529)
Payments to Food Service Management Company	(440,247)			(440,247)
Net Cash Provided by (Used for) Operating Activities	<u>(135,379)</u>	<u>101,392</u>	<u>(1,546)</u>	<u>(35,533)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	5,520			5,520
Federal Sources	216,292			216,292
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>221,812</u>	<u>-</u>	<u>-</u>	<u>221,812</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interfund	3,247			3,247
Net Cash Provided by (Used for) Capital Related Financing Activities	<u>3,247</u>	<u>-</u>	<u>-</u>	<u>3,247</u>
Net Increase (Decrease) in Cash and Cash Equivalents	89,680	101,392	(1,546)	189,526
Balances—Beginning of Year	92,408	563,922	589,642	1,245,972
Balances—End of Year	<u>182,088</u>	<u>665,314</u>	<u>588,096</u>	<u>1,435,498</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>				
<b>(Used) by Operating Activities:</b>				
Operating Income (Loss)	(177,626)	111,539	8,907	(57,180)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:				
Depreciation	1,043			1,043
Increase (Decrease) in Deferred Revenue	1,888			1,888
(Increase) Decrease in Inventory	(238)			(238)
Increase (Decrease) in Accounts Payable	39,554	(10,147)		29,407
Total Adjustments	<u>42,247</u>	<u>(10,147)</u>	<u>-</u>	<u>32,100</u>
Net Cash Provided by (Used for) Operating Activities	<u>(135,379)</u>	<u>101,392</u>	<u>8,907</u>	<u>(25,080)</u>



**FIDUCIARY FUND**

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

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	114,892
Total assets	<u>114,892</u>
<b>LIABILITIES</b>	
Payable to student groups	44,189
Payroll deductions and withholdings	70,703
Total liabilities	<u>114,892</u>
<b>NET POSITION</b>	<u><u>-</u></u>

**Tinton Falls School District  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2016**

N/A

**Tinton Falls School District  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
<b>ELEMENTARY SCHOOLS:</b>				
Atchinson	22,099	3,338	3,062	22,375
Swimming River	9,260	2,671	2,979	8,952
Tinton Falls	13,953	18,174	19,265	12,862
Tinton Falls Athletic Fund	-	11,303	11,303	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>45,312</u>	<u>35,486</u>	<u>36,609</u>	<u>44,189</u>

**Tinton Falls School District  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Net Payroll	11	8,891,539	8,849,011	42,539
Payroll Deductions and Withholdings	28,164			28,164
	<u>28,175</u>	<u>8,891,539</u>	<u>8,849,011</u>	<u>70,703</u>

**LONG-TERM DEBT**

**Tinton Falls School District  
General Long Term Debt Account Group  
Statement of Serial Bonds  
June 30, 2016**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
School Refunding Bonds of 2004	7/15/2004	\$ 13,295,000	10/15/2016	870,000	5.000%	2,155,000		1,285,000	870,000
School Refunding Bonds of 2011	7/7/2011	\$ 2,150,000	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	5.000%				
			3/15/2022	265,000	3.250%				
						1,800,000		235,000	1,565,000

**Tinton Falls School District  
General Long Term Debt Account Group  
Statement of Serial Bonds  
June 30, 2016**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance	
						July 1, 2015	June 30, 2016
School Bonds of 2011	2/1/2011	\$ 4,768,000	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%		
						4,073,000	190,000
						<u>8,028,000</u>	<u>1,710,000</u>
							<u>3,883,000</u>
							<u>6,318,000</u>



**Exhibit I-2**

**Tinton Falls School District  
 General Long Term Debt Account Group  
 Statement of Obligations under Capital Leases  
 June 30, 2016**

SERIES	Amount Outstanding on July 1, 2015	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2016
Xerox Copiers	81,863		27,288	54,575
<b>TOTAL</b>	<b>81,863</b>	<b>-</b>	<b>27,288</b>	<b>54,575</b>

**Tinton Falls School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	1,967,742	-	1,967,742	1,967,742	-
State Sources:					
Debt Service Aid Type II	47,464	-	47,464	47,464	-
Miscellaneous Revenue	-	-	-	-	-
<b>Total Revenues</b>	<b>2,015,206</b>	<b>-</b>	<b>2,015,206</b>	<b>2,015,206</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	309,403	-	309,403	309,402	1
Redemption of Principal	1,710,000	-	1,710,000	1,710,000	-
Total Regular Debt Service	2,019,403	-	2,019,403	2,019,402	1
<b>Total expenditures</b>	<b>2,019,403</b>	<b>-</b>	<b>2,019,403</b>	<b>2,019,402</b>	<b>1</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,197)	-	(4,197)	(4,196)	1
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	5,195	5,195
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(4,197)	-	(4,197)	999	5,196
Fund Balance, July 1	8,062	-	8,062	8,062	-
Fund Balance, June 30	3,865	-	3,865	9,061	5,196

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

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

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

### **Debt Capacity**

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

### **Demographic and Economic Information**

- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> 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.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> 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.	<b>J-16 to J-20</b>
<b>Sources:</b> 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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	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	18,149,617
Restricted	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	11,469,106
Unrestricted	10,840	107,311	560,969	110,138	(39,857)	48,971	3,141,906	2,973,257	(2,960,149)	(3,135,586)
<b>Total Governmental Activities Net Position</b>	<b>16,877,757</b>	<b>18,662,428</b>	<b>19,542,674</b>	<b>19,773,909</b>	<b>22,671,601</b>	<b>25,677,535</b>	<b>27,780,552</b>	<b>29,515,334</b>	<b>24,357,440</b>	<b>26,483,137</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	9,394	8,350	7,307	6,263	5,219
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	322,198	390,501	474,656	580,555	689,404	777,445	935,275	1,093,434	1,249,337	1,397,869
<b>Total Business-type Activities Net Position</b>	<b>322,198</b>	<b>390,501</b>	<b>474,656</b>	<b>580,555</b>	<b>689,404</b>	<b>786,839</b>	<b>943,625</b>	<b>1,100,741</b>	<b>1,255,600</b>	<b>1,403,088</b>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	6,984,281	7,547,803	8,362,663	9,983,688	8,045,100	12,248,429	15,194,212	16,420,711	17,000,018	18,154,836
Restricted	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	11,469,106
Unrestricted	333,038	497,812	1,035,625	690,693	649,547	826,416	4,077,181	4,066,691	(1,710,812)	(1,737,717)
<b>Total District Net Position</b>	<b>17,289,955</b>	<b>19,052,929</b>	<b>20,017,330</b>	<b>20,354,464</b>	<b>23,361,005</b>	<b>26,464,374</b>	<b>28,724,177</b>	<b>30,616,075</b>	<b>25,613,040</b>	<b>27,886,225</b>

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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	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	7,462,267
Special Education	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	2,508,558
Other Special Instruction	317,976	379,837	374,905	317,664	279,564	373,591	406,369	428,882	425,761	369,798
Other Instruction	104,979	113,457	111,262	124,842	112,936	115,722	117,308	123,080	171,835	128,277
Support Services:										
Tuition	728,272	666,895	554,227	544,104	538,468	457,644	540,165	472,421	547,665	664,173
Student & Instruction Related Services	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	3,867,661
General Administrative Services	605,198	617,402	589,948	582,216	634,441	541,409	532,366	575,136	556,687	560,877
School Administrative Services	799,893	822,457	887,085	908,499	923,854	942,805	908,650	915,384	978,620	922,480
Central Services & Admin. Info. Technology	269,227	329,273	326,551	389,127	384,650	430,472	385,938	360,903	422,291	427,027
Plant Operations and Maintenance	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	1,797,717
Pupil Transportation	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	1,797,081
Business and Other Support Services										
Unallocated Benefits	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	10,469,011
Capital outlay-undepreciable		194,514		45,688	10,169	12,942	17,762	17,762	17,235	17,762
Interest on Long-term Debt	729,938	683,791	628,340	568,946	569,882	536,127	507,278	441,297	347,834	304,998
Unallocated Depreciation	688,281	705,673	725,378	779,482	813,818	934,218	1,147,000	1,251,235	1,454,699	1,456,741
Total Governmental Activities Expenses	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	32,754,428
Business-type Activities:										
Food Service	451,519	457,132	466,979	457,353	444,806	487,597	452,665	445,823	456,482	480,606
Time+	181,478	159,006	155,410	151,532	167,828	144,880	158,016	145,455	159,142	132,581
Kindergarten Enrichment Program	83,920	95,545	104,650	94,042	89,080	99,501	100,954	93,265	100,055	1,546
Total Business-type Activities Expenses	716,917	711,683	727,039	702,927	701,714	731,978	711,635	684,543	715,679	614,733
Total District Expenses	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	33,369,161
<b>Program Revenues</b>										
Governmental Activities:										
Operating and Capital Grants and Contributions	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	1,336,988
Total Governmental Activities Program Revenues	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	1,336,988
Business-type Activities:										
Charges for Services:										
Food Service	366,895	365,812	362,350	373,031	363,976	346,008	348,374	309,023	283,691	302,980
Operating Grants and Contributions	108,083	95,513	97,248	105,729	114,424	124,028	138,602	153,371	170,779	204,668
Kindergarten Enrichment	117,263	131,349	132,520	154,829	155,968	158,418	157,990	163,015	192,239	10,453
Time+	205,819	199,119	181,697	174,326	174,458	182,109	184,447	243,012	223,829	244,120
Total Business-type Activities Program Revenues	798,060	791,793	773,815	807,915	808,826	810,563	829,413	868,421	870,538	762,221
Total District Program Revenues	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	2,099,209

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(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)	(31,417,440)
Business-type Activities	81,143	80,110	46,776	104,988	107,112	78,585	117,778	183,878	154,859	147,488
Total District-wide Net Expense	<u>(22,267,281)</u>	<u>(23,488,022)</u>	<u>(23,542,644)</u>	<u>(23,213,336)</u>	<u>(22,464,670)</u>	<u>(22,697,689)</u>	<u>(24,429,215)</u>	<u>(24,128,163)</u>	<u>(30,216,913)</u>	<u>(31,269,952)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	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	20,843,321
Taxes Levied for Debt Service	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	1,967,742
Unrestricted Federal and State Aid	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	9,469,938
Tuition Received	108,374	167,380	134,678	100,582	136,707	34,161	93,011	58,954	197,953	190,185
Interest on Investments	314,282	589,576	430,984	130,048	39,121	26,928	14,410	8,160	102,628	113,901
Miscellaneous Income	31,076	40,379	111,742	81,683	65,459	51,486	89,999	71,166		
Loss on refunding of long-term debt										
Capital Asset Adjustment		(18,306)	(167,895)	106,032	15,303					
Gain / (Loss) on Disposal of Assets	(18,081)	(3,795)	(6,171)	(16,977)				5,452		964,736
Transfers	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	33,549,823
Total Governmental Activities	<u>18,081</u>	<u>3,795</u>	<u>6,171</u>	<u>3,279</u>	<u>-</u>	<u>-</u>	<u>25,953,037</u>	<u>26,529,813</u>	<u>30,517,110</u>	<u>33,549,823</u>
Business-type Activities:										
Transfers	18,081	3,795	6,171	3,279	-	-	-	-	-	-
Total Business-type Activities	<u>18,081</u>	<u>3,795</u>	<u>6,171</u>	<u>3,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-wide	<u>23,665,795</u>	<u>24,430,977</u>	<u>25,136,797</u>	<u>24,855,474</u>	<u>23,598,425</u>	<u>24,237,282</u>	<u>25,953,037</u>	<u>26,529,813</u>	<u>30,517,110</u>	<u>33,549,823</u>
<b>Change in Net Position</b>										
Governmental Activities	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	2,125,697
Business-type Activities	99,224	83,905	52,947	108,267	107,112	78,585	117,778	183,878	154,859	147,488
Total District	<u>1,398,514</u>	<u>942,955</u>	<u>1,594,153</u>	<u>1,642,138</u>	<u>1,133,755</u>	<u>1,539,593</u>	<u>1,523,822</u>	<u>2,401,650</u>	<u>300,197</u>	<u>2,273,185</u>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Fund</b>										
Reserved	8,448,729	9,518,854	9,205,113	8,543,862						
Unreserved	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	9,456,894
Assigned					2,763,846	2,530,453	3,055,392	2,985,905	2,193,326	2,470,719
Unassigned					703,474	674,684	741,512	604,776	760,277	461,600
<b>Total General fund</b>	<b>9,085,308</b>	<b>10,273,777</b>	<b>10,414,426</b>	<b>9,019,731</b>	<b>9,069,333</b>	<b>10,137,234</b>	<b>10,612,776</b>	<b>11,496,588</b>	<b>10,809,171</b>	<b>12,389,213</b>
<b>All Other Governmental Funds</b>										
Reserved	88,650									
Unreserved, Reported in:										
Special Revenue Fund	(2,934)									
Capital Projects Fund	1,332,264	1,420,914	1,401,637	1,405,888						
Debt Service	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	2,003,151
Debt Service Fund					(3,959)	53,375	54,769	9,404	8,062	9,061
<b>Total All Other Governmental Funds</b>	<b>1,523,907</b>	<b>1,488,460</b>	<b>1,413,929</b>	<b>1,407,569</b>	<b>6,300,499</b>	<b>3,926,979</b>	<b>2,636,912</b>	<b>2,221,650</b>	<b>2,468,266</b>	<b>2,012,212</b>

Source: District Audits

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT**

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	18,321,919	19,064,004	19,303,916	19,207,555	19,922,843	20,635,739	20,844,568	21,493,097	22,124,297	22,811,063
Other Local Revenue		677,404	329,309	256,445	195,894	197,420	229,506	168,305	300,581	304,086
State Sources	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	6,752,855
Federal Sources	744,163	904,675	928,077	838,199	844,025	751,702	795,600	642,468	762,989	693,013
<b>Total Revenues</b>	<b>25,410,565</b>	<b>27,195,486</b>	<b>26,271,405</b>	<b>25,042,521</b>	<b>26,928,873</b>	<b>28,385,949</b>	<b>29,165,320</b>	<b>28,689,516</b>	<b>29,770,874</b>	<b>30,561,017</b>
<b>Expenditures</b>										
Instruction:										
Regular	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	7,405,055
Special	2,131,103	2,366,441	2,462,588	2,069,213	1,869,541	2,268,751	2,163,019	2,245,663	2,646,554	2,508,558
Other Special Instruction	317,976	379,837	374,905	317,664	279,564	373,591	406,369	428,882	425,761	369,798
Other Instruction	104,979	113,457	111,262	124,842	112,936	115,722	117,308	123,080	171,835	128,277
Support Services:										
Instruction - Tuition	728,272	666,895	554,227	544,104	521,532	443,585	540,165	472,421	547,665	664,173
Student Related Services	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	3,867,661
Instructional Staff										
General Administration	603,607	616,915	589,948	582,216	634,441	541,409	512,028	545,022	543,026	546,159
School Administration	799,893	822,457	887,085	908,499	923,854	942,805	908,650	915,384	978,620	922,480
Central Services & Admin. Info. Technology	289,227	329,273	326,551	389,127	384,650	430,472	385,938	388,191	449,579	454,315
Operations and Maintenance	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	1,785,816
Student Transportation	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	1,797,081
Business and Other Support Services										
Employee Benefits	4,421,489	4,688,448	4,318,657	4,483,265	4,459,981	5,072,247	6,004,770	6,213,400	6,456,757	6,949,405
Transfer to Charter School						14,060				
Capital Outlay	469,373	306,043	405,296	1,234,000	2,443,102	3,095,904	2,900,166	1,121,963	431,166	983,585
Debt Service:										
Principal	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	1,710,000
Interest and Other Charges	740,151	694,175	641,395	582,135	521,165	575,123	521,103	455,703	387,703	309,402
<b>Total Governmental Fund Expenditures</b>	<b>24,990,975</b>	<b>26,036,293</b>	<b>26,188,310</b>	<b>26,443,576</b>	<b>26,737,405</b>	<b>28,981,746</b>	<b>30,121,736</b>	<b>28,219,231</b>	<b>30,211,675</b>	<b>30,401,765</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	419,590	1,159,193	83,095	(1,401,055)	191,468	(595,797)	(956,416)	470,285	(440,801)	159,252
<b>Other Financing Sources (Uses)</b>										
Cancelled Receivables from State										(94,418)
Operating Transfers In		10,757	(16,977)	533,184	1,926,678	5,004	10,659	59,972	357,865	1,426,984
Operating Transfers Out	(3,795)	(16,928)		(533,184)	(1,943,614)	(5,004)	(5,207)	(61,707)	(357,865)	(367,830)
Proceeds from Borrowing					4,768,000	34,014				
Payment to refunding escrow						(743,836)				
Capital Leases (non-budgeted)							136,439			
<b>Total Other Financing Sources (Uses)</b>	<b>(3,795)</b>	<b>(6,171)</b>	<b>(16,977)</b>	<b>(1,401,055)</b>	<b>4,751,064</b>	<b>(709,822)</b>	<b>141,891</b>	<b>(1,735)</b>	<b>(440,801)</b>	<b>964,736</b>
<b>Net Changes in Fund Balance</b>	<b>415,795</b>	<b>1,153,022</b>	<b>66,118</b>	<b>(1,401,055)</b>	<b>4,942,532</b>	<b>(1,305,619)</b>	<b>(814,525)</b>	<b>468,550</b>	<b>(440,801)</b>	<b>1,123,988</b>
Debt Service as a percentage of noncapital expenditures	7.85%	7.36%	7.14%	7.11%	7.37%	7.42%	6.91%	6.90%	6.93%	6.86%

Source: District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology 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>
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
2016	190,185	16,527	52,353	259,065

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.	C/ram	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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	1,279,156,300	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
2015	69,736,200	2,027,957,900	7,423,500	192,900	580,527,900	31,358,700	203,955,800	2,921,152,900	0	3,750,585	2,924,903,485	0.768	3,055,364,119

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		Farm		Residential		Farm Reg.		Qfarm		Commercial		Industrial		Apartment		Total Assessed Value		Less: Tax- Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	\$0	\$9,103,800	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$18,134,300	\$27,238,100	0	40,437	\$27,278,537	1.946	75,297,009		
<b>R</b> 2008	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$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	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.663	69,659,242		
2012	\$0	\$20,494,700	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$36,002,600	\$56,468,200	0	386,483	\$56,854,683	0.695	56,854,683		
2015	\$0	\$17,662,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,241,700	\$49,904,100	0	403,243	\$50,307,343	0.681	52,019,037		

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Local School District		Monmouth Regional School District	Tinton Falls Borough		Monmouth County	
			Total Direct						
2006	1.262	0.149	1.411	1.411	0.797	0.785	0.597	3.590	
2007	1.333	0.114	1.447	1.447	0.824	0.785	0.627	3.683	
R 2008	0.586	0.058	0.644	0.644	0.369	0.383	0.283	1.679	
2009	0.569	0.054	0.623	0.623	0.336	0.410	0.277	1.646	
2010	0.592	0.056	0.648	0.648	0.344	0.416	0.285	1.693	
2011	0.649	0.054	0.703	0.703	0.366	0.439	0.300	1.808	
2012	0.672	0.067	0.739	0.739	0.409	0.464	0.305	1.917	
2013	0.693	0.070	0.763	0.763	0.406	0.477	0.314	1.960	
2014	0.729	0.075	0.804	0.804	0.434	0.517	0.342	2.097	
2015	0.696	0.072	0.768	0.768	0.415	0.504	0.320	2.007	

**Township of Shrewsbury:**

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Local School District		Monmouth Regional School District	Shrewsbury Township		Monmouth County	
			Total Direct						
2006	1.613	0.193	1.806	1.806	0.724	1.760	0.675	4.965	
2007	1.740	0.190	1.930	1.930	0.570	1.915	0.685	5.100	
R 2008	0.655	0.060	0.715	0.715	0.322	0.859	0.265	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	0.267	2.278	
2011	0.588	0.049	0.637	0.637	0.316	1.042	0.255	2.264	
2012	0.701	0.078	0.779	0.779	0.469	1.327	0.264	2.853	
2013	0.699	0.077	0.776	0.776	0.427	1.429	0.313	2.964	
2014	0.644	0.051	0.695	0.695	0.451	1.462	0.286	2.911	
2015	0.631	0.050	0.681	0.681	0.573	1.688	0.019	3.266	

Source: District Records and Municipal Tax Collector

N/A=NOT AVAILABLE

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

<sup>b</sup> 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%
	<b>\$424,403,700</b>		<b>15.69%</b>	<b>\$156,414,300</b>		<b>13.72%</b>

**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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2016	22,478,336	22,478,336	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

SHREWSBURY TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2016	332,727	332,727	100.00%	-

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

**a**

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

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

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	13,337,257	0	292,369	0	13,629,626	13,629,626	1.40%	704
2008	13,161,107	0	310,214	0	13,471,321	13,471,321	1.20%	688
2009	11,990,060	0	218,865	0	12,208,925	12,208,925	1.13%	617
2010	10,816,959	0	128,435	0	10,945,394	10,945,394	1.07%	612
2011	14,289,380	0	85,480	0	14,374,860	14,374,860	1.38%	803
2012	12,228,440	0	45,808	0	12,274,248	12,274,248	1.12%	687
2013	10,881,187	0	136,439	0	11,017,626	11,017,626	0.97%	613
2014	9,508,940	0	109,151	0	9,618,091	9,618,091	0.81%	537
2015	7,867,440	0	81,863	0	7,949,303	7,949,303	N/A	N/A
2016	6,191,640	0	54,575	0	6,246,215	6,246,215	N/A	N/A

Shrewsbury Township:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	335,743	0	292,369	0	628,112	628,112	1.13%	\$ 579
2008	331,893	0	310,214	0	642,107	642,107	1.06%	\$ 597
2009	302,940	0	218,865	0	521,805	521,805	0.89%	\$ 490
2010	266,041	0	128,435	0	394,476	394,476	0.61%	\$ 346
2011	291,620	0	85,480	0	377,100	377,100	0.57%	\$ 330
2012	249,560	0	45,808	0	295,368	295,368	0.43%	\$ 263
2013	236,813	0	136,439	0	373,252	373,252	0.53%	\$ 332
2014	194,060	0	109,151	0	303,211	303,211	0.41%	\$ 271
2015	160,560	0	81,863	0	242,423	242,423	N/A	N/A
2016	126,360	0	54,575	0	180,935	180,935	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	13,337,257	-	13,337,257	1.04%	\$ 697
2008	13,161,107	-	13,161,107	0.45%	\$ 669
2009	11,990,060	-	11,990,060	0.40%	\$ 606
2010	10,816,959	-	10,816,959	0.36%	\$ 603
2011	14,289,380	-	14,289,380	0.50%	\$ 798
2012	12,228,440	-	12,228,440	0.44%	\$ 684
2013	10,881,186	-	10,881,186	0.39%	\$ 605
2014	9,508,940	-	9,508,940	0.35%	\$ 531
2015	7,867,440	-	7,867,440	0.27%	\$ 443
2016	6,191,640	-	6,191,640	N/A	N/A

Shrewsbury Township:

Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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	0.32%	\$ 143
2016	126,360	-	126,360	N/A	N/A

N/A= Not Available

<sup>a</sup> See Exhibit NJ J-6 for property tax data.

<sup>b</sup> 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, 2015

Exhibit J-12

**Borough of Tinton Falls**

Debt repaid with property taxes

Tinton Falls Borough (Net Debt)			
Monmouth County General Obligation Debt (Net Debt)	\$ 19,432,730	100.0000%	\$ 19,432,730
Monmouth Regional High School	437,190,697	2.729%	11,932,542
	5,089,000	79.220%	4,031,519

**Tinton Falls School District Direct Debt**

Authorized but not issued  
 Outstanding

	0		-
	6,318,000	98.0000%	6,191,640
			\$ 41,588,431

**Total direct and overlapping debt**

**Township of Shrewsbury**

Debt repaid with property taxes

Township of Shrewsbury (Net Debt)			
Monmouth County General Obligation Debt	\$ 1,346,521	100.0000%	\$ 1,346,521
Monmouth Regional High School	437,190,697	0.047%	205,236
	5,089,000	2.518%	128,120

**Shrewsbury Township School District Direct Debt**

Authorized but not issued  
 Outstanding

	6,318,000	2.00%	126,360
			\$ 1,806,237

**Total direct and overlapping debt**

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 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	\$ 93,461,670
Total net debt applicable to limit	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	8,028,000
Legal debt margin	\$ 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	\$ 85,433,670
Total net debt applicable to the limit as a percentage of debt limit	18.95%	15.21%	13.10%	11.56%	15.19%	12.82%	14.13%	11.56%	10.69%	8.59%

	2015	2014	2013
Equalized valuation basis	3,179,253,947	3,127,662,817	51,591,130
2015	3,069,311,026	3,017,718,335	51,592,691
2014	3,097,602,010	3,043,444,322	54,157,688
[A]	\$ 9,346,166,983	\$ 9,188,825,474	\$ 157,341,509
[A/3]	\$ 3,115,388,994	\$ 3,062,941,825	\$ 52,447,170
Average equalized valuation of taxable property			
Debt limit (3% of average equalization value)	[B]	93,461,670	a
Net bonded school debt	[C]	8,028,000	
Legal debt margin	[B-C]	\$ 85,433,670	

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 <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
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	1,181,608,062	66,019	5.9%
2015	17,772	N/A	N/A	4.9%

**Shrewsbury Township:**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
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	73,875,261	66,019	6.6%
2015	1,122	N/A	N/A	5.3%

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

Exhibit J-15a

Unaudited

TINTON FALLS BOROUGH

Employer	2016		2007		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Rank [Optional]	Percentage of Total Municipal Employment
			N/A		
			0.00%		0.00%

N/A= NOT AVAILABLE



Tinton Falls School District  
Principal Employers,  
Unaudited

SHREWSBURY TOWNSHIP

Employer	2016			2007		
	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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	105	102	106	99	95	99	100	92	95.35	93.62
Special education	34	42	35	37	38	31	31	31	33.13	35
Other special education	19	38	38	35	31	36	35	35	37.5	
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	10	4	4	3	3	4	4.5	7	3	3
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	29	19	20	27	21	23	24.5	20.5	20.54	53
General administrative services	6	5	5	5	5	3	3	3	4	4
School administrative services	13	13	13	15	15	14	14	13	15	15
Business administrative services	4	4	4	4	5	5	5	5	5	5
Plant operations and maintenance	16	15	10	6	6	5	5	-	-	4.3
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>236</b>	<b>242</b>	<b>235</b>	<b>231</b>	<b>219</b>	<b>220</b>	<b>222</b>	<b>207</b>	<b>214</b>	<b>208</b>

Source: District Personnel Records

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Elementary School	Middle School	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2016	1,529	27,398,778	\$ 17,919.41	-1.47%	160	104	56	1,503.20	1,437.42	-1.08%	95.62%

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*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Mahala F. Atchinson	N/A	148,783	172,020	124,865	114,631	132,929	105,152	82,462	100,980	118,075	106,949
Swimming River School	N/A	115,899	110,480	99,147	100,017	93,569	96,051	84,359	113,422	106,642	88,771
Tinton Falls Middle School	N/A	126,027	127,215	127,723	134,828	108,725	100,696	107,060	104,479	100,536	119,234
Administration Building	N/A	35,303	15,566	9,939	9,097	10,052	17,270	35,454	8,915	28,864	8,950
<b>Total School Facilities</b>		<b>426,012</b>	<b>425,281</b>	<b>361,674</b>	<b>358,573</b>	<b>345,275</b>	<b>319,169</b>	<b>309,335</b>	<b>327,796</b>	<b>354,117</b>	<b>323,904</b>

## BOROUGH OF TINTON FALLS SCHOOL DISTRICT

## Insurance Schedule

June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	44,855,485	1,000
Comprehensive General Liability	\$2M OCC./\$2M AGG.	
Comprehensive Automobile Liability	1,000,000	500
Automobile Physical Damage	1,000,000	500
Comprehensive Crime Coverage	100,000	
Disappearance, Destruction, Forgery	100,000	
Computers and Schedule Equipment -		
Data Processing-Hardware	1,600,000	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	10,000
School Board Legal Liability	Cov. A \$1M/2M Cov. B \$100,000	Each loss 7,500
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.

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

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, NJ 07860  
973-579-3212  
Fax 973-579-7128

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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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2016.

### ***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 October 31, 2016.

### ***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, Wielkocz, Cerullo & Cuva, P.A.*

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

October 31, 2016



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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, NJ 07860  
973-579-3212  
Fax 973-579-7128

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE  
AND N.J. OMB CIRCULAR 15-08**

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 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, 2016. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)



and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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, 2016.

### **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 the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*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

October 31, 2016

BOROUGH OF TINTON FALLS SCHOOL DISTRICT														K-3	
Schedule of Expenditures of Federal Awards														SCHEDULE A	
for the Fiscal Year Ended June 30, 2016															
Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2015	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	(Accounts Receivable)	Deferred Revenue	MEMO Cumulative Total Expenditures
<b>U.S. Department of Education</b>															
<b>General Fund:</b>															
Impact Aid	84-041	N/A	N/A		7/1/15	6/30/16			53,233	(53,233)					63,273
Medical Assistance Program (SEMD)	93-778	1605N15MAP	N/A		7/1/15	6/30/16			60,511	(60,511)					16,005
ARRA-Medical Assistance Program (SEMD)	93-778	1605N15MAP	N/A	28,251	7/1/14	6/30/15	(18,251)		18,251						18,251
							(18,251)		131,995	(113,744)					97,531
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
<b>Special Revenue Fund:</b>															
Title I	84-010	S010A150030	NCLB518515	164,080	7/1/14	6/30/15	(118,217)		118,217						118,217
Title I	84-010	S010A150030	NCLB518516	139,162	7/1/15	6/30/16			28,738	(128,872)			(134)		108,542
Title I	84-010	S010A150030	NCLB518513	111,130	9/1/12	8/31/13		21,924		(21,924)					120,898
Title II, Part A	84-367	S367A150029	NCLB518515	33,749	7/1/14	6/30/15	(30,794)		30,794						30,794
Title II, Part A	84-367	S367A150029	NCLB518514	36,763	9/1/13	8/31/14			1,478						1,478
Title II, Part A	84-367	S367A150029	NCLB518516	36,763	7/1/15	6/30/16			23,240	(23,240)					8,571
Title III, Part A	84-365	S365A150030	NCLB518515	10,233	7/1/14	6/30/15	(8,571)		8,571						2,860
Title III, Part A	84-365	S365A150030	NCLB518514	10,233	7/1/13	6/30/14	(667)								2,860
Title III, Part A	84-365	S365A150030	NCLB518516	7,287	7/1/15	6/30/16			2,338	(7,287)			(4,949)		11,928
Sub-total							(159,727)	21,924	313,376	(159,399)	(21,924)	667	(5,083)		403,288
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
<b>Special Revenue Fund:</b>															
ID.E.A. Part B, Basic Regular	84-027	H027A150100	IDEA518515	720,784	7/1/14	6/30/15	(482,744)		482,744						482,744
ID.E.A. Part B, Basic Regular	84-027	H027A150100	IDEA518516	400,302	9/1/15	6/30/16			227,080	(400,302)			(173,222)		273,678
ID.E.A. Part B, Basic Regular	84-027	H027A150100	IDEA518513	475,834	9/1/12	8/31/13		233,083			(233,083)				378,696
ID.E.A. Part B, Preschool	84-173	H173A150114	IDEA518515	23,792	7/1/14	6/30/15	(14,794)		14,794						14,794
ID.E.A. Part B, Preschool	84-173	H173A150114	IDEA518516	19,568	7/1/13	6/30/14			19,568	(19,568)					11,263
ID.E.A. Part B, Preschool	84-173	H173A150114	IDEA518513	14,830	9/1/12	8/31/13		3,589			(3,589)				18,781
Sub-total							(497,538)	236,592	744,186	(419,870)	(236,592)		(173,222)		1,179,956
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
<b>Non-Cash Assistance:</b>															
Child Nutrition Cluster:															
Food Distribution Program	10-555	1616N304N1099	N/A	27,316	7/1/15	6/30/16			38,238	(38,238)					31,494
Cash Assistance:															
National School Lunch Program	10-555	1616N304N1099	N/A	132,604	7/1/14	6/30/15	(25,435)		25,435						132,604
National School Lunch Program	10-555	1616N304N1099	N/A	144,506	7/1/15	6/30/16			135,981	(144,506)			(8,525)		128,107
School Breakfast Program	10-553		N/A	4,106	7/1/14	6/30/15	(889)		889						4,106
School Breakfast Program	10-553	1616N304N1099	N/A	16,904	7/1/15	6/30/16			15,749	(16,904)			(1,155)		5,419
Total Enterprise Fund							(26,324)		216,292	(199,648)			(9,680)		301,730
Total Federal Financial Awards							(701,840)	258,516	1,405,849	(892,661)	(258,516)	667	(187,985)		1,982,505

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 *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 \$1,204 for the general fund, \$1,259,894 for the special revenue fund, and \$-0- 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	\$113,744	\$6,572,458	\$6,686,202
Special Revenue Fund	579,269	132,933	712,202
Food Service Fund	<u>199,648</u>	<u>5,019</u>	<u>204,667</u>
Total Financial Awards	<u>\$892,661</u>	<u>\$6,710,410</u>	<u>\$7,603,071</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 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, 2016. 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, 2016.

**NOTE 7. INDIRECT COST RATE**

The Borough of Tinton Falls School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**BOROUGH OF TINTON FALLS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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 2 CFR 200 section .516(a) of the Uniform Guidance? \_\_\_\_\_ yes  X  no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027/84.173</u>	<u>H027A150100</u> <u>H173A150114</u>	<u>I.D.E.A. Cluster:</u> <u>I.D.E.A. Part B Basic/Preschool</u>

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

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, 2016  
(continued)**

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

**State Awards**

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

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 15-08?                             \_\_\_\_\_ yes       X   no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
	<b>Cluster: State Aid - Public</b>
<u>16-495-034-5120-089</u>	(A) <u>Special Education Categorical Aid</u>
<u>16-495-034-5120-084</u>	(A) <u>Security Aid</u>
<u>16-495-034-5120-085</u>	(A) <u>Adjustment Aid</u>
<u>16-495-034-5120-014</u>	(A) <u>Transportation Aid</u>
<u>16-495-034-5120-044</u>	(A) <u>Extraordinary Aid</u>
<u>16-495-034-5095-002</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, 2016  
(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, 2016  
(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, 2016**

**Status of Prior Year Findings**

All prior year findings have been corrected.