

**SCHOOL DISTRICT OF THE
BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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

OUTLINE OF CAFR

INTRODUCTORY SECTION

Letter of Transmittal.....	1
Organizational Chart.....	7
Roster of Officials.....	8
Consultants and Advisors.....	9

FINANCIAL SECTION

Independent Auditor's Report.....	10
Required Supplementary Information - Part I Management's Discussion and Analysis.....	14

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

A-1 Statement of Net Assets.....	25
A-2 Statement of Activities.....	26

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet.....	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances.....	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29

Proprietary Funds:

B-4 Statement of Net Position.....	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position.....	31
B-6 Statement of Cash Flows.....	32

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position.....	33
--	----

Notes to the Financial Statements.....	34
--	----

Required Supplementary Information - Part II

OUTLINE OF CAFR

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund.....	73
C-1a	Not Applicable	
C-1b	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	84

Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule.	85
-----	-------------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS.....	86
L-2	Schedule of District Contributions – PERS.	87
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF.....	88
L-4	Notes to Required Schedules of Supplementary Information - Part III.	89

M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)

M-1	Schedule of Districts Proportionate Share of the State OPEB Liability.....	90
M-2	Notes Required Schedules of Supplementary Information OPEB Liability	91

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	92
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	93
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	94
E-2	Not Applicable	

F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis.	95
F-1b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Mahala F. Atchinson Project).....	96

OUTLINE OF CAFR

F. Capital Projects Fund:, Continued

F-1c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Swimming River Elementary School).	97
F-1d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Swimming River Elementary School).	98
F-1e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Tinton Falls Middle School).	99
F-1f	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Administration Building).	100
F-1g	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Security Upgrades to Mahala F. Atchison Elementary School).	101
F-1h	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Security Upgrades to Swimming River Elementary School).	102
F-1i	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Security Upgrades to Tinton Falls Middle School).	103
F-1j	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Renovations, Alterations and Improvements to Mahala F. Atchinson School).	104
F-1k	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Renovations, Alterations and Improvements to Swimming River School).	105
F-1l	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Renovations, Alterations and Improvements to Tinton Falls Middle School).	106

G.

Enterprise Fund:

G-1	Combining Statement of Net Position.	107
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position.	108
G-3	Combining Statement of Cash Flows.	109

OUTLINE OF CAFR

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position.	110
H-2	Not Applicable.	111
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements.	112
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements.	113

I. Long-Term Debt:

I-1	Statement of Serial Bonds.	114
I-2	Statement of Obligations under Capital Leases.	116
I-3	Budgetary Comparison Schedule - Debt Service Fund.	117

J. Statistical Section (Unaudited)

Financial Trends

Introduction to the Statistical Section

J-1	Net Position by Component.	118
J-2	Changes in Net Position.	119
J-3	Fund Balances - Governmental Funds.	121
J-4	Governmental Fund Expenditures by Function.	122
J-5	General Fund Other Local Revenue by Source.	123

Revenue Capacity

J-6a	Assessed Value and Actual Value of Taxable Property.	124
J-6b	Assessed Value and Actual Value of Taxable Property.	125
J-7	Direct and Overlapping Property Tax Rates.	126
J-8a	Principal Property Taxpayers.	127
J-8b	Principal Property Taxpayers.	128
J-9a	Property Tax Levies and Collections, Last Ten Fiscal Years.	129
J-9b	Property Tax Levies and Collections, Last Nine Fiscal Years.	130

Debt Capacity

J-10	Ratios of Outstanding Debt by Type.	131
J-11	Ratios of Net General Bonded Debt Outstanding.	132
J-12	Direct and Overlapping Governmental Activities Debt.	133
J-13	Legal Debt Margin Information.	134

OUTLINE OF CAFR

Demographic and Economic Information

J-14	Demographic and Economic Statistics.	135
J-15a	Principal Employers (Unaudited - Tinton Falls Borough).	136
J-15b	Principal Employers (Unaudited - Shrewsbury Township).	137

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program.	138
J-17	Operating Statistics.	139
J-18	School Building Information.	140
J-19	Schedule of Required Maintenance Expenditures by School Facilities.	141
J-20	Insurance Schedule.	142

K. SINGLE AUDIT SECTION

K-1	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.	143
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular 15-08.	145
K-3	Schedule of Expenditures of Federal Awards - Schedule A.	148
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B.	149
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.	150
K-6	Schedule of Findings and Questioned Costs.	153
K-7	Schedule of Financial, Federal and State Findings.	155
K-8	Summary Schedule of Prior Audit Findings.	156

INTRODUCTORY SECTION

THE TINTON FALLS SCHOOL DISTRICT
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Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vincent J. Daniels
Business Administrator/Board Secretary

November 21, 2019

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, 2019. 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 the Single Audit Act of 1996, as amended, the U.S. Office of Management and budget circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 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,

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along with findings and questioned costs, are included in the single audit section of this report.

1. 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 integrated/handicapped program. These include regular as well as handicapped students. The District completed the 2018-2019 fiscal year with an enrollment of 1,440 which is seven (-82) students less than the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last 15 years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2004-2005	1,761	+1.85%
2005-2006	1,610	-8.57%
2006-2007	1,602	-0.50%
2007-2008	1,577	-1.56%
2008-2009	1,578	+0.06%
2009-2010	1,632	+3.42%
2010-2011	1,585	-2.88%
2011-2012	1,572	-0.82%
2012-2013	1,565	-0.45%
2013-2014	1,531	-2.17%
2014-2015	1,542	+0.72%
2015-2016	1,524	-1.18%
2016-2017	1,529	+0.33%
2017-2018	1,522	-0.45%
2018-2019	1,440	-5.39%

2. 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

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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. During the 17-18 school year a bill was passed providing the option for Earle residents to attend Colts Neck schools with a transition occurring over the next 3 years. As of 7/1/21 all Earle students must attend Colts Neck schools. Until the new developments in Tinton Falls are constructed, the enrollment numbers are expected to decrease because of this bill, which has happened in the 18-19 school year as shown above, but ultimately will increase as homes are built and occupied.

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 2018-2019 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.
- All students in grades 3-8 have access to one to one technology. The wireless environments in each school and the continued expansion of handheld devices continue to provide access to appropriate educational materials in every area of the schools. The budget also takes into account the purchase of classroom technology such as replacement Promethean Boards and Elmo Document Camera.
- Continued the development and implementation of Professional Learning Communities
- Enhancement of the following curricular areas through the review and update of each curriculum
- Continued implementation of the Parent Portal to enhance communication regarding academic progress as well as use for communication of all district and school information

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- Maintain an informative district website, social media, and newsletters to support communication with parents and the community 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
 - Through Professional Development advised by the School Improvement Panels and
 - 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 development and training for teaching and learning as well as the integration of technology into the classrooms.
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

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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, 2019.

6. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. Risk Management: The Board carries various forms of insurance, included but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. Other Information: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, as amended and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining the individual fund statement and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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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,

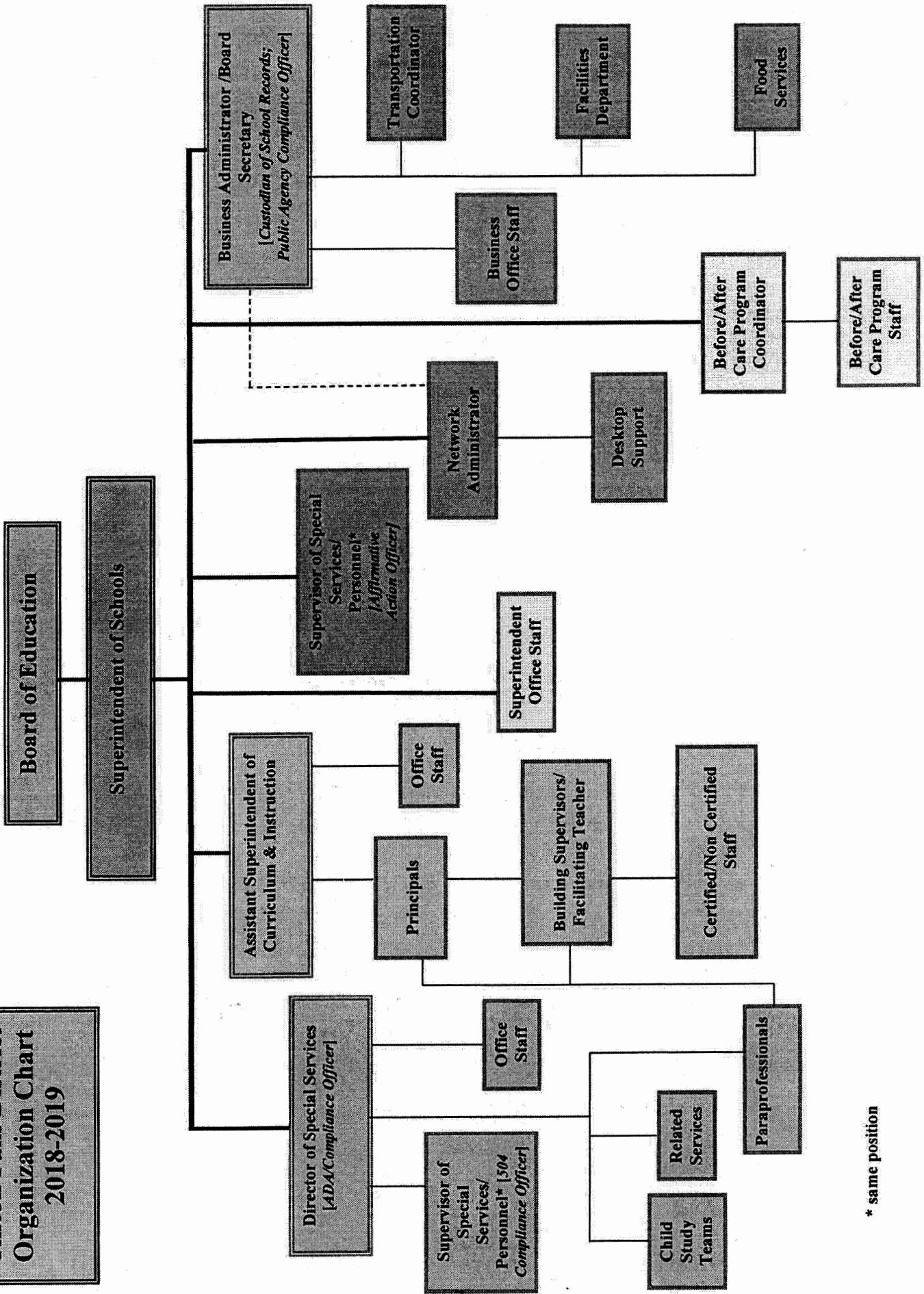
Lisa Goldey

Mrs. Lisa Goldey
Superintendent of Schools

Vincent J. Daniels

Mr. Vincent J. Daniels
Business Administrator/Board Secretary

**Tinton Falls District
Organization Chart
2018-2019**



* same position

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ROSTER OF OFFICIALS as of June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Fred Lomangino, President	2021
Ryan Hager, Vice President	2021
Jeff Davidson	2019
Nicole Jennings	2020
Jason Puleio	2020
Gerard Ryan	2020
Sivan Sepe	2019
Christopher Theobald	2019
Natalie Watson	2021

Other Officials:

Lisa Goldey, Superintendent of Schools

Vin Daniels, Business Administrator/Board Secretary

TINTON FALLS BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

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Attorney

Michael Laffey, Esq.

Official Depository

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Tinton Falls School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2019, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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
Page 2.

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, 2019, 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

Honorable President and
Members of the Board of Education
Page 3.

in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

Honorable President and
Members of the Board of Education
Page 4.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019 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 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, Wielkocz, Cerullo & Cuva, P.A.

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

November 21, 2019

**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, 2019**

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, 2019. 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 \$2,298,281. Net position of governmental activities increased by \$2,307,111 and net position of business-type activity decreased by \$8,830.
- General revenues accounted for \$38,006,886 in revenue or 95.43 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,821,865 or 4.57 percent of total revenues of \$39,828,751.
- The School District had \$37,521,640 in expenses related to governmental activities; only \$1,821,865 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$38,006,886 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, 2019**

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, 2019**

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, 2019**

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 \$29,376,180 at June 30, 2019 and \$27,077,899 at June 30, 2018. 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 2019 compared to 2018 (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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current and Other Assets	35,791,420	15,723,574	1,596,974	1,608,410	37,388,394	17,331,984
Capital Assets	<u>39,765,260</u>	<u>24,609,247</u>	<u>2,088</u>	<u>3,131</u>	<u>39,767,348</u>	<u>24,612,378</u>
Total Assets	<u>75,556,680</u>	<u>40,332,821</u>	<u>1,599,062</u>	<u>1,611,541</u>	<u>77,155,742</u>	<u>41,944,362</u>
Deferred Outflow of Resources	<u>1,282,428</u>	<u>1,838,215</u>	_____	_____	<u>1,282,428</u>	<u>1,838,215</u>
Liabilities						
Current Liabilities	8,192,121	3,782,654	27,504	31,153	8,219,625	3,813,807
Noncurrent Liabilities	<u>38,654,906</u>	<u>11,376,451</u>	_____	_____	<u>38,654,906</u>	<u>11,376,451</u>
Total Liabilities	<u>46,847,027</u>	<u>15,159,105</u>	<u>27,504</u>	<u>31,153</u>	<u>46,874,531</u>	<u>15,190,258</u>
Deferred Inflow of Resources	<u>2,187,459</u>	<u>1,514,420</u>	_____	_____	<u>2,187,459</u>	<u>1,514,420</u>
Net Position						
Invested in Capital Assets	6,538,339	19,966,758	2,088	3,131	6,540,427	19,969,889
Restricted	28,519,417	11,668,484	_____	_____	28,519,417	11,668,484
Unrestricted	<u>(7,253,134)</u>	<u>(6,137,731)</u>	<u>1,569,470</u>	<u>1,577,257</u>	<u>(5,683,664)</u>	<u>(4,560,474)</u>
Total Net Position	<u>27,804,622</u>	<u>25,497,511</u>	<u>1,571,558</u>	<u>1,580,388</u>	<u>29,376,180</u>	<u>27,077,899</u>

This year, the District was able to report a balance of \$(5,683,664) in its unrestricted net position, which is a decrease from the previous years' balance of \$(4,560,474). This decrease was largely attributable to the recording of the PERS net pension obligation items 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, 2019**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2019 compared to 2018.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			523,133	547,903	523,133	547,903
Operating Grants and						
Contributions	1,821,865	1,745,154	195,228	195,688	2,017,093	1,940,842
General Revenues:						
Taxes:						
Property taxes	23,703,998	23,151,359			23,703,998	23,151,359
Federal and State Aid						
Not Restricted	9,820,907	12,095,044			9,820,907	12,095,044
Tuition Received	301,679	77,784			301,679	77,784
Miscellaneous Income	<u>4,180,302</u>	<u>264,142</u>	_____	_____	<u>4,180,302</u>	<u>264,142</u>
Total Revenues and Transfers	<u>39,828,751</u>	<u>37,333,483</u>	<u>718,361</u>	<u>743,591</u>	<u>40,547,112</u>	<u>38,077,074</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Functions/Program						
Instruction:						
Regular	7,889,102	8,228,680			7,889,102	8,228,680
Special Education	3,433,923	3,570,659			3,433,923	3,570,659
Other Special Instruction	428,176	434,846			428,176	434,846
Other Instruction	137,863	129,645			137,863	129,645
Support Services:						
Tuition	418,977	514,783			418,977	514,783
Student & Instruction						
Related Services	4,319,177	4,359,164			4,319,177	4,359,164
School Administrative						
Services	982,104	898,976			982,104	898,976
General Administrative						
Services	461,912	551,705			461,912	551,705
Central Services and						
Admin.Technology	476,862	471,537			476,862	471,537
Plant Operations and						
Maintenance	1,951,250	1,939,079			1,951,250	1,939,079
Pupil Transportation	2,056,320	1,752,236			2,056,320	1,752,236
Unallocated Benefits	11,927,582	14,056,811			11,927,582	14,056,811
Capital Outlay - Non-						
Depreciable	17,763	18,282			17,763	18,282
Transfer of Funds to Charter						
Schools		28,763			0	28,763
Unallocated Depreciation	1,562,376	1,538,243			1,562,376	1,538,243
Interest on Long Term Debt	1,458,253	197,715			1,458,253	197,715
Cancellation of Federal						
Grants Receivable		393,489			0	393,489
Food Service			493,031	475,937	493,031	475,937
Time+			199,674	192,137	199,674	192,137
Kindergarten Enrichment			<u>34,486</u>	<u>27,218</u>	<u>34,486</u>	<u>27,218</u>
Total Expenses and Transfers	<u>37,521,640</u>	<u>39,084,613</u>	<u>727,191</u>	<u>695,292</u>	<u>38,248,831</u>	<u>39,779,905</u>
Increase or (Decrease) in						
Net Position	<u>2,307,111</u>	<u>(1,751,130)</u>	<u>(8,830)</u>	<u>48,299</u>	<u>2,298,281</u>	<u>(1,702,831)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$38,248,831. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$23,703,998 because some of the cost was paid by those who benefitted from the programs \$523,133, by other governments and organizations who subsidized certain programs with grants and contributions \$11,838,000, tuition income \$301,679 and by miscellaneous sources \$4,180,302.

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:

- ✓ Expenses exceeded revenues by \$8,830.
- ✓ Charges for services provided totaled \$523,133. 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 \$195,228.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2019, 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 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$24,736,931	73.10%	\$1,243,646	5.29%
State Sources	8,371,918	24.74%	904,516	12.11%
Federal Sources	<u>731,254</u>	<u>2.16%</u>	<u>(7,251)</u>	<u>(0.98)%</u>
Total	<u>\$33,840,103</u>	<u>100.00%</u>	<u>\$2,140,911</u>	6.75%

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 and on behalf state aid to the District.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$11,854,916	24.04%	(\$467,311)	(3.79)%
Undistributed	20,020,366	40.59%	1,287,339	6.87%
Capital Outlay	16,789,006	34.04%	14,091,206	522.32%
Debt Service	659,328	1.34%	(3,900)	(0.59)%
Transfer to Charter Schools	<u> </u>	<u>0.00%</u>	<u>(28,763)</u>	<u>(100.00)%</u>
Total	<u>\$49,323,616</u>	<u>100.00%</u>	<u>\$14,878,571</u>	43.19%

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant increase in State On-Behalf payment for pension and medical 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, 2019, 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 \$134,674 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, 2019**

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

General Fund

The general fund actual revenue was \$31,982,740. That amount is \$5,173,196 above the final amended budget of \$26,809,544. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,986,908 for TPAF social security reimbursements and on-behalf pension and medical retirement payments, an excess in other state and federal aids of \$596,555, and a \$589,733 excess in local anticipated revenues.

The actual expenditures of the general fund were \$31,267,980. This is \$278,309 above the final amended budget of \$30,989,671. 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 \$3,986,908, and a favorable variance of \$3,708,599 in unexpended budgeted funds.

The general fund had total revenues of \$31,982,740 and total expenditures of \$31,267,980, and transfers \$282,515 from the capital project fund with an ending fund balance of \$14,266,468.

Special Revenue Fund

The special revenue fund actual revenue was \$839,852. That amount is below the original budget estimate of \$892,021. The \$134,674 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 \$839,852, which is below the original budget of \$892,021. The \$134,674 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, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the School District had \$64,286,031 invested in land, buildings and building improvements, machinery and equipment, and construction in progress. Of this amount, \$24,520,771 in depreciation has been taken over the years. We currently have a net book value of \$39,765,260. Total depreciable additions for the year were \$5,253,741, the majority of which was for various technology and office equipment and building improvements and deductions of \$5,253,741, which was transfers from construction in progress to capital assets being depreciated and asset deletions. Table 3 shows fiscal year 2019 balances compared to 2018.

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

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	239,620	239,620			239,620	239,620
Buildings and Site Improvements	25,205,230	21,643,678			25,205,230	21,643,678
Furniture, Equipment and Vehicles	646,797	569,838	2,088	3,131	648,885	572,969
Construction in Progress	<u>13,673,613</u>	<u>2,156,111</u>			<u>13,673,613</u>	<u>2,156,111</u>
	<u>39,765,260</u>	<u>24,609,247</u>	<u>2,088</u>	<u>3,131</u>	<u>39,767,348</u>	<u>24,612,378</u>

Debt Administration

At June 30, 2019, the district had \$38,654,906 of outstanding debt. Of this amount, \$245,371 is for compensated absences; \$63,921 is for various capital leases; \$33,163,000 of serial bonds issued for the financing of various school construction projects; and \$5,182,614 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 2019-2020 fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

The following factors were considered in preparing the 2019-2020 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:

Vincent Daniels
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, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	27,418,870	1,587,940	29,006,810
Receivables, net	1,405,151	8,322	1,413,473
Inventory		712	712
Restricted assets:			
Cash and cash equivalents	6,967,399		6,967,399
Capital assets:			
Land	239,620		239,620
Depreciable Capital Assets-(Net)	39,525,640	2,088	39,527,728
Total Assets	<u>75,556,680</u>	<u>1,599,062</u>	<u>77,155,742</u>
Deferred outflows of resources-Related to PERS Pension	<u>1,282,428</u>		<u>1,282,428</u>
LIABILITIES			
Accounts payable and accrued liabilities	8,004,045	16,443	8,020,488
Payable to the State Government	36,072		36,072
Deferred revenue	152,004	11,061	163,065
Noncurrent liabilities:			
Due within one year	515,568		515,568
Due beyond one year	38,139,338		38,139,338
Total liabilities	<u>46,847,027</u>	<u>27,504</u>	<u>46,874,531</u>
Deferred inflows of resources-Related to PERS Pension	<u>2,187,459</u>		<u>2,187,459</u>
NET POSITION			
Invested in capital assets	6,538,339	2,088	6,540,427
Restricted for:			
Debt service	5,208		5,208
Capital projects	20,215,273		20,215,273
Other Purposes	8,298,936		8,298,936
Unrestricted (Deficit)	<u>(7,253,134)</u>	<u>1,569,470</u>	<u>(5,683,664)</u>
Total net position	<u><u>27,804,622</u></u>	<u><u>1,571,558</u></u>	<u><u>29,376,180</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, 2019

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:							
Instruction:							
Regular	7,854,954	34,148		591,558		(7,297,544)	(7,297,544)
Special education	3,433,923					(3,433,923)	(3,433,923)
Other special instruction	428,176					(428,176)	(428,176)
Other instruction	137,863					(137,863)	(137,863)
Support services:							
Tuition	418,977					(418,977)	(418,977)
Student & instruction related services	4,319,177			248,294		(4,070,883)	(4,070,883)
General administrative services	455,889	6,023				(461,912)	(461,912)
School administrative services	982,104					(982,104)	(982,104)
Central Services and Administrative Technology	476,862					(476,862)	(476,862)
Plant operations and maintenance	1,938,567	12,683		982,013		(1,951,250)	(1,951,250)
Pupil transportation	2,056,320					(1,074,307)	(1,074,307)
Employee Benefits	11,927,582					(11,927,582)	(11,927,582)
Capital outlay—undepreciable	17,763					(17,763)	(17,763)
Interest on long-term debt	1,458,253					(1,458,253)	(1,458,253)
Unallocated depreciation	1,562,376					(1,562,376)	(1,562,376)
Total governmental activities	37,468,786	52,854	-	1,821,865	-	(35,699,775)	(35,699,775)
Business-type activities:							
Food Service	493,031		284,144	195,228		(13,659)	(13,659)
Time + Program	199,674		210,241			10,567	10,567
Early Bird Program	34,486		28,748			(5,738)	(5,738)
Total business-type activities	727,191	-	523,133	195,228	-	(8,830)	(8,830)
Total primary government	38,195,977	52,854	523,133	2,017,093	-	(6,830)	(35,708,605)
General revenues:							
Property Taxes Levied for:							
General Purposes					23,053,423		23,053,423
Debt Service					650,575		650,575
Federal and State aid not restricted					9,820,907		9,820,907
Tuition					301,679		301,679
Miscellaneous Income					731,254		731,254
Bond Premiums					3,414,000		3,414,000
Cancellations of State Grants Receivable					35,048		35,048
Total general revenues, special items, extraordinary items and transfers					38,006,886		38,006,886
Change in Net Position					2,307,111	(8,830)	2,298,281
Net Position—beginning					25,497,511	1,580,388	27,077,899
Net Position—ending					27,804,622	1,571,558	29,376,180

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, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	6,262,168		21,156,702		27,418,870
Receivables from Other Governments	696,380	254,923	70,694	5,208	1,027,205
Interfund Accounts Receivable	387,445				387,445
Tuitions Receivable	253,688				253,688
Other Receivables		3,734	120,524		124,258
Restricted Cash and Cash Equivalents	6,967,399				6,967,399
Total Assets	<u>14,567,080</u>	<u>258,657</u>	<u>21,347,920</u>	<u>5,208</u>	<u>36,178,865</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and Accrued Liabilities Payable	578,007	28,635	5,802,665		6,409,307
Interfund Accounts Payable		104,929	282,515		387,444
Payable to the State Government		36,072			36,072
Deferred Revenue	62,983	89,021			152,004
Total Liabilities	<u>640,990</u>	<u>258,657</u>	<u>6,085,180</u>		<u>6,984,827</u>
Fund Balances:					
Restricted for:					
Excess Surplus -- current year	3,028,102				3,028,102
Excess Surplus - prior year -designated for subsequent year's expenditures	2,751,863				2,751,863
Emergency Reserve	250,000				250,000
Maintenance Reserve	1,516,460				1,516,460
Impact Aid	248,406				248,406
Capital Reserve	4,952,533				4,952,533
Assigned to:					
Other purposes	504,105		5,044,678		5,548,783
Debt Service				5,208	5,208
Designated by the BOE for subsequent year's expenditures					
Capital Projects			10,218,062		10,218,062
Unassigned:					
General Fund	674,621				674,621
Total Fund Balances	<u>13,926,090</u>		<u>15,262,740</u>	<u>5,208</u>	<u>29,194,038</u>
Total Liabilities and Fund Balances	<u>14,567,080</u>	<u>258,657</u>	<u>21,347,920</u>	<u>5,208</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 \$64,286,031 and the accumulated depreciation is \$24,520,771.	39,765,260
Deferred outflow of resources related to PERS pension liability	1,282,428
Interest on Long-term debt accrued	(1,327,687)
Deferred inflow of resources related to PERS pension liability	(2,187,459)
Accounts payable for PERS payment subsequent to the measurement date.	(267,052)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)	<u>(38,654,906)</u>
Net position of governmental activities	<u>27,804,622</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, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	23,053,423			650,575	23,703,998
Tuition	301,679				301,679
Miscellaneous	388,054	60,685	282,515		731,254
Total - Local Sources	<u>23,743,156</u>	<u>60,685</u>	<u>282,515</u>	<u>650,575</u>	<u>24,736,931</u>
State Sources	8,135,986	235,932		-	8,371,918
Federal Sources	108,616	543,235			651,851
Total Revenues	<u>31,987,758</u>	<u>839,852</u>	<u>282,515</u>	<u>650,575</u>	<u>33,760,700</u>
EXPENDITURES					
Current:					
Regular Instruction	7,263,396	591,558			7,854,954
Special Education Instruction	3,433,923				3,433,923
Other Special Instruction	428,176				428,176
Other Instruction	137,863				137,863
Support Services and Undistributed Costs:					
Tuition	418,977				418,977
Student & Instruction Related Services	4,070,883	248,294			4,319,177
General Administrative Services	481,457				481,457
School Administrative Services	982,104				982,104
Central Services and Administrative Technology	476,862				476,862
Plant Operations and Maintenance	1,938,567				1,938,567
Pupil Transportation	2,056,320				2,056,320
Employee Benefits	9,346,902				9,346,902
Debt Service:					
Principal				475,000	475,000
Interest and Other Charges				184,328	184,328
Capital Outlay	232,550		16,556,456		16,789,006
Transfer to Charter Schools	-	-			-
Total Expenditures	<u>31,267,980</u>	<u>839,852</u>	<u>16,556,456</u>	<u>659,328</u>	<u>49,323,616</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>719,778</u>	<u>-</u>	<u>(16,273,941)</u>	<u>(8,753)</u>	<u>(15,562,916)</u>
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-		29,085,000		29,085,000
Bond Premium			3,414,000		3,414,000
Cancellation of Federal Grant Receivable			35,048		35,048
Transfers in	282,515		-		282,515
Transfers out	-		(282,515)		(282,515)
Total other financing sources and uses	<u>282,515</u>	<u>-</u>	<u>32,251,533</u>	<u>-</u>	<u>32,534,048</u>
Net Change in Fund Balances	1,002,293	-	15,977,592	(8,753)	16,971,132
Fund Balance—July 1	<u>12,923,797</u>	<u>-</u>	<u>(714,852)</u>	<u>13,961</u>	<u>12,222,906</u>
Fund Balance—June 30	<u>13,926,090</u>	<u>-</u>	<u>15,262,740</u>	<u>5,208</u>	<u>29,194,038</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, 2019

Total net change in fund balances - governmental funds (from B-2)	16,971,132
<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	(1,615,230)
Depreciable Capital outlays	16,771,243
<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	475,000
Principal Payments on Capital Leases	25,568
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>	
Bond Proceeds	(29,085,000)
<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	261,816
Less: Pension Expense	(217,754)
Decrease in Pension Expense	44,062
<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	1,488,767
Increase in On-behalf TPAF Pension Expense	(1,488,767)
<p>Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF medical 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 Medical	1,130,236
Increase in On-behalf TPAF Medical Expense	(1,130,236)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>	
<p>Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:</p>	
(Increase)/Decrease in compensated absences payable	(5,739)
<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	(1,327,687)
Accrued interest - prior year	53,762
Change in net assets of governmental activities	2,307,111

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, 2019

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Early Birds Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents	162,671	837,173		588,096	1,587,940
Accounts Receivable:					
State	235				235
Federal	8,087				8,087
Inventory	712				712
Total Current Assets	<u>171,705</u>	<u>837,173</u>	<u>-</u>	<u>588,096</u>	<u>1,596,974</u>
Noncurrent Assets:					
Capital Assets:					
Equipment	31,316				31,316
Less Accumulated Depreciation	(29,228)				(29,228)
Total Capital Assets (Net of Accumulated Depreciation)	<u>2,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,088</u>
Total Assets	<u>173,793</u>	<u>837,173</u>	<u>-</u>	<u>588,096</u>	<u>1,599,062</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	14,308	2,135			16,443
Deferred Revenue	11,061				11,061
Total Current Liabilities	<u>25,369</u>	<u>2,135</u>	<u>-</u>	<u>-</u>	<u>27,504</u>
Total Liabilities	<u>25,369</u>	<u>2,135</u>	<u>-</u>	<u>-</u>	<u>27,504</u>
NET POSITION					
Invested in Capital Assets Net of Related Debt	2,088				2,088
Unrestricted	146,336	835,038	-	588,096	1,569,470
Total Net Position	<u>148,424</u>	<u>835,038</u>	<u>-</u>	<u>588,096</u>	<u>1,571,558</u>

Tinton Falls School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2019

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Early Birds Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	182,846				182,846
Daily Sales - Non-Reimbursable Programs	97,886				97,886
Miscellaneous	3,412	210,241	28,748		242,401
Total Operating Revenues	<u>284,144</u>	<u>210,241</u>	<u>28,748</u>	<u>-</u>	<u>523,133</u>
Operating Expenses:					
Cost of Food - Reimbursable	132,416				132,416
Cost of Food - Non-Reimbursable	49,086				49,086
Cost of Sales - Other	57,100				57,100
Labor	187,394	137,059	29,817		354,270
Supplies and Materials	11,075	6,552			17,627
Employee Benefits	41,959	10,246			52,205
Miscellaneous Expense	12,958	45,817	4,669		63,444
Depreciation	1,043				1,043
Total Operating Expenses	<u>493,031</u>	<u>199,674</u>	<u>34,486</u>	<u>-</u>	<u>727,191</u>
Operating Income (Loss)	(208,887)	10,567	(5,738)	-	(204,058)
Non-operating Revenues (Expenses):					
State Sources:					
State School Lunch Program	4,814				4,814
Federal Sources:					
National School Lunch Program	127,723				127,723
National School Breakfast Program	22,714				22,714
Food Distribution Program	38,986				38,986
Interest and Investment Revenue	991				991
Total Non-operating Revenues (Expenses)	<u>195,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,228</u>
Income (Loss) Before Contributions & Transfers	(13,659)	10,567	(5,738)	-	(8,830)
Transfers In (Out)		(5,738)	5,738		-
Change in Net Position	(13,659)	4,829	-	-	(8,830)
Total Net Position - Beginning	<u>162,083</u>	<u>830,209</u>	<u>-</u>	<u>588,096</u>	<u>1,580,388</u>
Total Net Position—Ending	<u>148,424</u>	<u>835,038</u>	<u>-</u>	<u>588,096</u>	<u>1,571,558</u>

Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019

	Food Service Program	Time + Program	Early Birds Program	Kindergarten Enrichment Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	283,682	210,241	28,748		522,671
Interfund Receipts	27,387				27,387
Payments to employees	(187,394)	(137,059)	(34,486)		(358,939)
Payments to vendors	(304,314)	(64,802)			(369,116)
Other operating receipts			5,738		5,738
Other operating payments		(5,738)			(5,738)
Net Cash Provided by (Used for) Operating Activities	<u>(180,639)</u>	<u>2,642</u>	<u>-</u>	<u>-</u>	<u>(177,997)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	4,924				4,924
Federal Sources	191,495				191,495
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>196,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	991				991
Net Cash Provided by (Used for) Investing Activities	<u>991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>991</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,771	2,642	-	-	19,413
Balances—Beginning of Year	145,900	834,531	-	588,096	1,568,527
Balances—End of Year	<u>162,671</u>	<u>837,173</u>	<u>-</u>	<u>588,096</u>	<u>1,587,940</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided					
(Used) by Operating Activities:					
Operating Income (Loss)	(208,887)	10,567	(5,738)	-	(204,058)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:					
Depreciation	1,043				1,043
(Increase) Decrease in Transfers		(5,738)	5,738		-
(Increase) Decrease in Interfund Accounts Receivable	27,387				27,387
Increase (Decrease) in Deferred Revenue	(462)				(462)
(Increase) Decrease in Inventory	1,280				1,280
Increase (Decrease) in Accounts Payable	(1,000)	(2,187)			(3,187)
Total Adjustments	<u>28,248</u>	<u>(7,925)</u>	<u>5,738</u>	<u>-</u>	<u>26,061</u>
Net Cash Provided by (Used for) Operating Activities	<u>(180,639)</u>	<u>2,642</u>	<u>-</u>	<u>-</u>	<u>(177,997)</u>

**Tinton Falls School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019**

	Agency Fund
ASSETS	
Cash and Cash Equivalents	46,285
Total Assets	46,285
LIABILITIES	
Payable to student groups	43,482
Payroll deductions and withholdings	2,803
Total Liabilities	46,285
NET POSITION	

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

A. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (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.

C. 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. 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.

D. 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. 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.

E. 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 2018/2019, 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. 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.

F. 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.

G. 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. 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.

H. 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.

I. 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, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	<u>\$712</u>
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**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2019, 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.

K. 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.

L. 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, 2019 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. 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.

N. 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 1(F) regarding the special revenue fund.

O. 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.

P. 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. 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.

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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. 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.

Q. 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.

R. 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. 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.

S. 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.

T. 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, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

U. 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.

V. 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.

W. 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.

X. Allowance for Uncollectible Accounts:

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

Y. New Accounting Standards:

During fiscal year 2019, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

Y. New Accounting Standards: (continued)

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 2. 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, 2019, \$-0- of the District's bank balance of \$39,149,590 was exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, 2019, 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

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, 2019, the District had \$5,510,992 on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2019, 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	\$772,282	\$235	\$772,517
Federal Aid	254,923	8,087	263,010
Tuition	253,688		253,688
Interfunds	387,445		
Other	<u>124,258</u>		<u>124,258</u>
Gross receivables	1,792,596	8,322	1,413,473
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,792,596</u>	<u>\$8,322</u>	<u>\$1,413,473</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 4. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/19</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$239,620	\$	\$	\$239,620
Construction in Progress	<u>2,156,111</u>	<u>16,771,243</u>	<u>(5,253,741)</u>	<u>13,673,613</u>
Total Capital Assets, Not Being Depreciated	<u>2,395,731</u>	<u>16,771,243</u>	<u>(5,253,741)</u>	<u>13,913,233</u>
Capital Assets Being Depreciated				
Sites and Improvements	2,123,361	7,100		2,130,461
Buildings and Improvements	40,697,433	5,054,688		45,752,121
Furniture, Equipment and Vehicles	<u>2,353,788</u>	<u>191,953</u>	<u>(55,525)</u>	<u>2,490,216</u>
Total Capital Assets, Being Depreciated	<u>45,174,582</u>	<u>5,253,741</u>	<u>(55,525)</u>	<u>50,372,798</u>
Less Accumulated Depreciation:				
Sites and Improvements	(1,743,332)	(30,355)		(1,773,687)
Buildings and Improvements	(19,433,784)	(1,469,881)		(20,903,665)
Furniture, Equipment and Vehicles	<u>(1,783,950)</u>	<u>(114,994)</u>	<u>55,525</u>	<u>(1,843,419)</u>
Total Accumulated Depreciation	<u>(22,961,066)</u>	<u>(1,615,230)</u>	<u>55,525</u>	<u>(24,520,771)</u>
Total Capital Assets, Being Depreciated, Net	<u>22,213,516</u>	<u>3,638,511</u>	<u>_____</u>	<u>25,852,027</u>
Governmental Activities Capital Assets, Net	<u>\$24,609,247</u>	<u>\$20,409,754</u>	<u>(\$5,253,741)</u>	<u>\$39,765,260</u>
	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/19</u>
Business-Type Activity				
Machinery and Equipment	<u>\$31,316</u>	<u>\$</u>	<u>\$</u>	<u>\$31,316</u>
Totals	<u>31,316</u>	<u>_____</u>	<u>_____</u>	<u>31,316</u>
Less Accumulated Depreciation				
Machinery and Equipment	<u>(28,185)</u>	<u>(1,043)</u>	<u>_____</u>	<u>(29,228)</u>
Total Accumulated Depreciation	<u>(28,185)</u>	<u>(1,043)</u>	<u>_____</u>	<u>(29,228)</u>
Business-Type Activity Capital Assets, Net	<u>\$3,131</u>	<u>(\$1,043)</u>	<u>\$</u>	<u>\$2,088</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 4. CAPITAL ASSETS: (continued)

Depreciation expense was charged to the functions as follows:

Instruction - Regular	\$34,148
Support Services - Administration	6,023
Plant Operations and Maintenance	12,683
Unallocated Depreciation	<u>1,562,376</u>
Total Deprecation Expense	<u>\$1,615,230</u>

NOTE 5. LONG-TERM DEBT OBLIGATIONS:

For the fiscal year ended June 30, 2019 the following liabilities are reported in the general long-term debt account group:

	Balance <u>June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2019</u>	Amounts Due Within <u>One Year</u>
Compensated absences payable	\$239,632	\$105,331	\$99,592	\$245,371	\$
Bonds payable	4,553,000	29,085,000	475,000	33,163,000	490,000
Capital leases payable	89,489		25,568	63,921	25,568
Net (PERS) pension obligation	<u>6,494,330</u>	<u> </u>	<u>1,311,716</u>	<u>5,182,614</u>	<u> </u>
	<u>\$11,376,451</u>	<u>\$29,190,331</u>	<u>\$1,911,876</u>	<u>\$38,654,906</u>	<u>\$515,568</u>

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 5. LONG-TERM DEBT OBLIGATIONS: (continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$490,000	\$2,184,790	\$2,674,790
2021	1,490,000	1,488,752	2,978,752
2022	1,505,000	1,418,065	2,923,065
2023	1,320,000	1,349,177	2,669,177
2024	1,385,000	1,284,252	2,669,252
2025	1,450,000	1,216,177	2,666,177
2026	1,525,000	1,144,702	2,669,702
2027	1,595,000	1,069,702	2,664,702
2028	1,680,000	991,052	2,671,052
2029	1,760,000	907,927	2,667,927
2030	1,850,000	820,377	2,670,377
2031	1,928,000	728,440	2,656,440
2032	1,685,000	632,375	2,317,375
2033	1,770,000	546,000	2,316,000
2034	1,850,000	468,375	2,318,375
2035	1,920,000	396,600	2,316,600
2036	1,990,000	308,450	2,298,450
2037	1,990,000	208,950	2,198,950
2038	1,990,000	119,400	2,109,400
2039	<u>1,990,000</u>	<u>39,800</u>	<u>2,029,800</u>
Total	<u>\$33,163,000</u>	<u>\$17,323,363</u>	<u>\$50,486,363</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, 2019**

NOTE 5. LONG-TERM DEBT OBLIGATIONS: (continued)

Governmental Pooled Revenue Bonds, Series 2018B

On July 24, 2018, the District issued \$29,085,000 principal amount of bonds through the Monmouth County Improvement Authority's Governmental pooled loan program. These bonds have interest rates ranging from 4.00% to 5.00% and mature in annual installments beginning on July 15, 2020. These bonds were issued to undertake renovations, alterations and improvements at Mahala F. Atchison School, Swimming River School and Tinton Falls Middle School.

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, 2019.

<u>Year</u>	
2019	\$25,569
2020	25,569
2021	<u>12,783</u>
	<u>\$63,921</u>

C. Bonds Authorized but not Issued

As of June 30, 2019, the District had \$-0- of bonds authorized but not issued.

NOTE 6. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

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/financial-reports.shtm>.

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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/19	\$261,816	\$25,505
6/30/18	258,450	24,394
6/30/17	257,263	25,293

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>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>Long-Term Disability Insurance</u>
<u>Ending</u> 6/30/19	\$2,057,363	\$952,751	\$43,066	\$2,624
6/30/18	1,425,195	942,841	34,586	2,516
6/30/17	1,074,030	927,336	38,915	2,582

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

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 \$931,104 during the year ended June 30, 2019 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2019, the District had a liability of \$5,182,614 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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 governmental entities, actuarially determined. At June 30, 2018, the District's proportion was .02632171 percent, which was a decrease of .00157681 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$217,754. At June 30, 2019, 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	\$854,009	\$1,657,124
Difference in actual and expected experience	98,833	26,723
Net difference between projected and actual earnings on pension plan investments		48,613
Changes in proportion and differences between District contributions and proportionate share of contributions	62,534	454,999
District contributions subsequent to the measurement date	<u>267,052</u>	
Total	<u>\$1,282,428</u>	<u>\$2,187,459</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

The \$267,052 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$35,970
2020	(49,801)
2021	(357,113)
2022	(309,552)
2023	(99,122)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District s Proportion	.02632171%	.0278985208%

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2018, 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:

	<u>June 30, 2018</u>		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$6,516,539	\$5,182,614	\$4,063,535

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>61,567,952</u>
	<u>\$61,567,952</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018, the proportion of the TPAF net pension liability associated with the District was .0967777920%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$3,589,196 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases:	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, 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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. PENSION PLANS: (continued)

contribution rate in the most recent fiscal year. The State contributed 50% of the actuary determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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 7. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. POST-RETIREMENT BENEFITS: (continued)

payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>47,013,134</u>
	<u>\$47,013,134</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. POST-RETIREMENT BENEFITS: (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

(a) Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. POST-RETIREMENT BENEFITS: (continued)

(b) Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

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

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,082,987 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Tinton Falls School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

NOTE 8. 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	

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 9. RISK MANAGEMENT:

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

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

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

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

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

NOTE 10. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 10. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$3,973,494
Deposits:	
Transfer by Board Resolution, June 24, 2019	1,000,000
Interest earned on capital reserve funds	56,722
Withdrawals	<u>(77,683)</u>
Ending Balance, June 30, 2019	<u>\$4,952,533</u>

NOTE 11. 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$250,000
Deposits:	
Transfer by Board Resolution, June 24, 2019	230,854
Withdrawals	<u>(230,854)</u>
Ending Balance, June 30, 2019	<u>\$250,000</u>

NOTE 12. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 12. MAINTENANCE RESERVE ACCOUNT: (continued)

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$1,579,694
Increased by:	
Interest on Investments	33,218
Decreased by:	
Withdrawals	<u>(96,452)</u>
Ending Balance, June 30, 2019	<u>\$1,516,460</u>

NOTE 13. 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.

The activity of the federal impact aid reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$170,876
Increased by:	
Transfer by Board Resolution, June 24, 2019	<u>77,530</u>
Ending Balance, June 30, 2019	<u>\$248,406</u>

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$13,926,090 General Fund fund balance at June 30, 2019, \$504,105 is reserved for encumbrances; \$5,779,965 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$2,751,863 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$4,952,533 has been reserved in the Capital Reserve Account; \$1,516,460 has been reserved in the maintenance reserve account; \$250,000 has been reserved in the Emergency Reserve Account; \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2020; \$248,406 has been reserved for Impact Aid; and \$674,621 is unreserved and undesignated.

Debt Service Fund - Of the \$5,208 Debt Service Fund fund balance at June 30, 2019, \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2019 and \$5,208 is restricted for debt service.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2019 is \$5,779,965. Of this amount, \$3,028,102 is the result of current year’s operations.

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES:

The composition of interfund balances as of June 30, 2019 is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$282,515
General Fund	Special Revenue Fund	\$104,930

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

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

NOTE 17. CONTINGENT LIABILITIES:

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

NOTE 18. SUBSEQUENT EVENTS:

The Board has evaluated subsequent events through November 21, 2019, the date which the financial statements were available to be issued and no 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, 2019						
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	23,053,423		23,053,423	23,053,423		
Tuition	50,000		50,000	301,679	251,679	
Miscellaneous	50,000		50,000	388,054	338,054	
Total - Local Sources	23,153,423		23,153,423	23,743,156	589,733	
State Sources:						
Categorical Transportation Aid	982,013		982,013	982,013		
Categorical Special Education Aid	986,472		986,472	986,472		
Categorical Security Aid	196,966		196,966	196,966		
Adjustment Aid	1,294,945	(230,854)	1,294,091	1,294,091		
Extraordinary Aid	175,000		175,000	625,321	450,321	
Other State Aid-Non Public Transportation	-		-	19,057	19,057	
Other State Aid-Homeless Tuition Reimbursement	-		-	40,140	40,140	
On-behalf TPAF NCGI Premium (non-budgeted)	-		-	43,066	43,066	
On-behalf TPAF Post-Retirement Medical (non-budgeted)	-		-	952,751	952,751	
On-behalf Long-Term Disability Insurance	-		-	2,624	2,624	
On-behalf TPAF Premium	-		-	2,057,363	2,057,363	
TPAF Social Security (Reimbursed - Non-Budgeted)	-		-	931,104	931,104	
Total - State Sources	3,865,396	(230,854)	3,634,542	8,130,968	4,496,426	
Federal sources:						
Impact Aid				77,530	77,530	
Medical Assistance Program (SEMI)	21,579		21,579	31,086	9,507	
Total - Federal Sources	21,579		21,579	108,616	87,037	
TOTAL REVENUES	27,040,398	(230,854)	26,809,544	31,982,740	5,173,196	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	720,147	25,150	745,297	549,803	195,494	
Grades 1-5 - Salaries of Teachers	3,504,045	(19,303)	3,484,742	3,393,955	90,787	
Grades 6-8 - Salaries of Teachers	2,685,374		2,685,374	2,562,188	123,186	
Regular Programs - Home Instruction:						
Salaries of Teachers	22,000		22,000	288	21,712	
Purchased Professional-Educational Services	1,000	2,300	3,300	2,138	1,162	
Other Purchased Services (400-500 series)	500		500	500	0	
Regular Programs - Undistributed Instruction						
Purchased Technical Services	35,090	633	35,723	20,966	14,757	
Other Purchased Services	387,657	(84,504)	303,153	197,793	105,360	
General Supplies	362,296	18,311	380,607	366,893	13,714	
Textbooks	186,842	(19,582)	167,260	162,713	4,547	
Other Objects	6,340	1,200	7,540	6,659	881	
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,911,291	(75,795)	7,835,496	7,263,396	572,100	
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	137,161	(2,000)	135,161	130,807	4,354	
Other Salaries for Instruction		7,000	7,000	6,836	164	
General Supplies	1,240		1,240	373	867	
Total Learning and/or Language Disabilities	138,401	5,000	143,401	138,016	5,385	
Auditory Impairments:						
General Supplies	3,000		3,000	826	2,174	
Total Auditory Impairments	3,000		3,000	826	2,174	
Behavioral Disabilities:						
Salaries of Teachers	78,413	77,123	155,536	155,536		
Other Salaries for Instruction	35,100	39,821	74,921	74,915	6	
General Supplies	4,000	3,000	7,000	5,077	1,923	
Total Behavioral Disabilities	117,513	119,944	237,457	235,528	1,929	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual	
Multiple Disabilities:						
Salaries of Teachers	459,976	(34,250)	425,726	404,084	21,642	
Other Salaries for Instruction	96,500	29,250	125,750	77,414	48,336	
General Supplies	9,860	(4,348)	5,512	2,601	2,911	
Total Multiple Disabilities	566,336	(9,348)	556,988	484,099	72,889	
Resource Room/Resource Center:						
Salaries of Teachers	2,021,855	7,449	2,029,304	1,748,151	281,153	
Other Salaries for Instruction	47,500		47,500	45,609	1,891	
General Supplies	22,350	1,117	23,467	19,333	4,134	
Total Resource Room/Resource Center	2,091,705	8,566	2,100,271	1,813,093	287,178	
Autism:						
Salaries of Teachers	186,269	(8,600)	177,669	173,563	4,106	
Other Salaries for Instruction	106,000	25,000	131,000	63,533	67,467	
General Supplies	10,450	(1,088)	9,362	3,228	6,134	
Total Autism	302,719	15,312	318,031	240,324	77,707	

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2019									
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual				
SPECIAL EDUCATION - INSTRUCTION (Continued)									
Preschool Disabilities - Part-Time:									
Salaries of Teachers	58,798	50,000	108,798	108,548	250				
Other Salaries for Instruction	90,500	(26,000)	64,500	32,995	31,505				
General Supplies	2,800		2,800	1,167	1,633				
Total Preschool Disabilities - Part-Time	152,098	24,000	176,098	142,710	33,388				
Preschool Disabilities - Full-Time:									
Salaries of Teachers	221,559	3,685	225,244	224,750	494				
Other Salaries for Instruction	106,500	35,500	142,000	135,336	6,664				
General Supplies	3,000		3,000	2,578	422				
Total Preschool Disabilities - Full-Time	331,059	39,185	370,244	362,664	7,580				
Special Education - Home Instruction									
Salaries of Teachers	40,000		40,000	10,590	29,410				
Purchased Professional-Educational Services	3,000	5,634	8,634	6,073	2,561				
Other Purchased Services (400-500) Series	200		200		200				
Total Home Instruction	43,200	5,634	48,834	16,663	32,171				
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,746,031	208,293	3,954,324	3,433,923	520,401				
Basic Skills/Remedial - Instruction									
Salaries of Teachers	364,206	(2,500)	361,706	360,214	1,492				
General Supplies	31,843	(25,544)	6,299	1,063	5,236				
Total Basic Skills/Remedial - Instruction	396,049	(28,044)	368,005	361,277	6,728				
Bilingual Education - Instruction									
Salaries of Teachers	65,308	2,500	67,808	66,634	1,174				
General Supplies	1,400		1,400	265	1,135				
Total Bilingual Education - Instruction	66,708	2,500	69,208	66,899	2,309				
School-Sponsored Cocurricular Activities - Instruction									
Salaries	73,150		73,150	69,591	3,559				
Supplies and Materials	6,872	2,724	9,596	7,880	1,716				
Total School-Sponsored Cocurricular Activities - Instruction	80,022	2,724	82,746	77,471	5,275				
School-Sponsored Athletics - Instruction									
Salaries	46,300		46,300	44,724	1,576				
Purchased Services (300-500 series)	12,982	4,949	17,931	10,442	7,489				
Supplies and Materials	9,335		9,335	5,236	4,109				
Total School-Sponsored Athletics - Instruction	68,617	4,949	73,566	60,392	13,174				
TOTAL INSTRUCTION	12,268,718	114,627	12,383,345	11,263,358	1,119,987				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2019									
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual				
Undistributed Expenditures - Instruction:									
Tuition to State- Regular	39,226		39,226	11,605	27,621				
Tuition to Other LEAs Within the State-Special	54,550		54,550	26,459	28,091				
Tuition to Private Schools for the Handicapped - Within State	497,503	43,404	540,907	380,913	159,994				
Total Undistributed Expenditures - Instruction:	591,279	43,404	634,683	418,977	215,706				
Undist. Expend. - Health Services									
Salaries	286,685	(18,465)	268,220	256,363	11,857				
Purchased Professional and Technical Services	284,910	69,549	354,459	191,687	162,772				
Other Purchased Services (400-500 series)	30,000	500	30,500	16,845	13,655				
Supplies and Materials	7,494	1,006	8,500	6,901	1,599				
Total Undistributed Expenditures - Health Services	609,089	52,590	661,679	471,796	189,883				
Undist. Expend. - Other Supp. Serv. Students - Related Serv.									
Salaries	484,379	(59,000)	425,379	390,510	34,869				
Purchased Professional - Educational Services	142,000	19,038	161,038	85,010	76,028				
Supplies and Materials	6,400	1,854	8,254	5,780	2,474				
Other Objects	400		400		400				
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	633,179	(38,108)	595,071	481,300	113,771				
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.									
Salaries	1,422,000	(68,100)	1,353,900	1,353,686	214				
Purchased Professional - Educational Services	6,000	(4,125)	1,875	1,250	625				
Supplies and Materials	250	1,491	1,741	1,575	166				
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	1,428,250	(70,734)	1,357,516	1,356,511	1,005				
Undist. Expend. - Guidance									
Salaries of Other Professional Staff	230,224	3,000	233,224	232,891	333				
Salaries of Secretarial and Clerical Assistants	200		200		200				
Purchased Professional - Educational Services	6,000		6,000	2,372	3,628				
Other Purchased Services (400-500 series)	1,000		1,000	779	221				
Supplies and Materials	1,374	(400)	974	683	291				
Total Undist. Expend. - Guidance	238,798	(2,600)	241,398	236,725	4,673				
Undist. Expend. - Child Study Teams									
Salaries of Other Professional Staff	514,030		514,030	485,020	29,010				
Other Salaries	46,000	(6,500)	39,500	35,222	4,278				
Purchased Professional - Educational Services	140,600	12,042	152,642	96,958	55,684				
Other Purchased Services (400-500 series)	16,300	401	16,701	12,365	4,336				
Supplies and Materials	12,900	(50)	12,850	9,413	3,437				
Other Objects	2,500		2,500	2,016	484				
Total Undist. Expend. - Child Study Team	732,330	5,893	738,223	640,994	97,229				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual	
Undist. Expend. - Improvement of Instructional Services						
Salaries of Supervisor of Instruction	225,675	4,400	230,075	230,011	64	
Salaries of Other Professional Staff		4,616	4,616	4,616		
Salaries of Secretarial and Clerical Assistants	47,500	1,600	49,100	49,056	44	
Other Salaries	138,460		138,460	131,495	6,965	
Salaries of Facilitators, Math and Literacy Coaches	98,088	6,500	104,588	104,339	249	
Purchased Prof. Educational Services	5,500	400	5,900	5,894	6	
Other Purch Prof. and Tech. Services		260	260		260	
Other Purch Services (400-500)	13,000		13,000	11,750	1,250	
Supplies and Materials	5,080	(325)	4,755	1,855	2,900	
Other Objects	800		800	459	341	
Total Undist. Expend. - Improvement of Inst. Services	524,103	17,451	541,554	539,475	12,079	
Undist. Expend. - Educational Media Serv./Sch. Library						
Salaries	200,795	2,000	202,795	202,597	198	
Purchased Professional and Technical Services	14,880		14,880	4,344	10,536	
Other Purchased Services (400-500 series)	800		800		800	
Supplies and Materials	9,399	725	10,124	9,386	738	
Total Undist. Expend. - Educational Media Serv./Sch. Library	225,874	2,725	228,599	216,327	12,272	
Undist. Expend. - Instructional Staff Training Serv.						
Salaries of Other Professional Staff	75,832	(12,500)	63,332	60,714	2,618	
Other Salaries	5,500	1,428	6,928	6,927	1	
Purchased Professional - Educational Services	40,950	14,000	54,950	37,038	17,912	
Other Purchased Services (400-500 series)	15,750	6,892	22,642	19,242	3,400	
Other Objects	9,635	435	10,070	3,834	6,236	
Total Undist. Expend. - Instructional Staff Training Serv.	147,667	10,255	157,922	127,755	30,167	

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2019									
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual				
Undist. Expend. - Supp. Serv. - General Administration									
Salaries	256,748		256,748	220,703	36,045				
Legal Services	80,000	35,082	115,082	32,017	83,065				
Audit Fees	35,000	8,760	43,760	24,650	19,110				
Architectural/Engineering Services		21,257	21,257	7,068	14,189				
Other Purchased Professional Services	25,000	61,624	86,624	10,545	76,079				
Purchased Technical Services	58,500	14,873	73,373	25,466	47,907				
Communications/Telephone	92,200	7,893	100,093	45,835	54,258				
BOE Other Purchased Services	4,000	1,500	5,500	4,430	1,070				
Miscellaneous Purchased Services (400-500) [Other than 530 & 585]	71,985	697	72,682	66,720	5,962				
General Supplies	10,000	200	10,200	4,037	6,163				
BOE Training/Meeting Supplies	1,000	25	1,025	194	831				
Judgments Against the School District	30,000	30,864	60,864	16,162	44,702				
Miscellaneous Expenditures	13,500	(1,400)	12,100	11,915	185				
BOE Membership Dues/Fees	15,000		15,000	11,715	3,285				
Total Undist. Expend. - Supp. Serv. - General Administration	692,933	181,375	874,308	481,457	392,851				
Undist. Expend. - Support Serv. - School Administration									
Salaries of Principals/Assistant Principals	373,958	12,200	386,158	386,151	7				
Salaries of Other Professional Staff	171,183	12,420	183,603	183,600	3				
Salaries of Secretarial and Clerical Assistants	380,771	14,449	395,220	395,219	1				
Other Salaries	9,000	(7,553)	1,447	1,447					
Purchased Professional and Technical Services	7,831	(6,843)	988	988					
Other Purchased Services (400-500 series)	7,605	(6,604)	1,001	700	301				
Supplies and Materials	14,928	(9,223)	5,705	5,616	89				
Other Objects	13,673	(5,285)	8,388	8,383	5				
Total Undist. Expend. - Support Serv. - School Administration	978,949	3,561	982,510	982,104	406				
Undistributed Expenditures Central Services									
Salaries	368,225		368,225	356,172	12,053				
Purchased Technical Service	38,000	5,355	43,355	23,629	19,726				
Misc. Purchased Serv. (400-500) O/T 594	4,995	1,382	6,377	2,133	4,244				
Supplies and Materials	10,000	90	10,090	5,939	4,151				
Miscellaneous Expenditures	4,500		4,500	3,570	930				
Total Undistributed Expenditures Central Services	425,720	6,827	432,547	391,443	41,104				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2019									
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual				
Undistributed Expenditures Admin Info Tech									
Salaries	74,251	3,002	77,253	77,253					
Purchased Technical Services		4,552	4,552		4,552				
Supplies and Materials	10,000	61	10,061	8,166	1,895				
Other Objects									
Total Undistributed Expenditures Admin Info Tech	84,251	7,615	91,866	85,419	6,447				
Undist. Expend. - Required Maint. for School Facilities									
Salaries									
Cleaning, Repair and Maintenance Services	504,500	10,872	515,372	416,190	99,182				
General Supplies	186,000	18,148	204,148	72,767	131,381				
Other Objects									
Total Undist. Expend. - Required Maint. for School Facilities	690,500	29,020	719,520	488,957	230,563				
Undist. Expend. - Custodial Services									
Salaries	15,000		15,000	9,288	5,712				
Salaries of Non-Instructional Aides	70,000		70,000	42,866	27,134				
Purchased Professional and Technical Services	31,000	(1,000)	30,000	9,873	20,127				
Cleaning, Repair and Maintenance Services	795,000	3,352	798,352	695,614	102,738				
Other Purchased Property Services	49,500	2,176	51,676	51,675	1				
Insurance	83,500		83,500	81,117	2,383				
General Supplies	45,000	4,119	49,119	14,732	34,387				
Energy (Natural Gas)	197,000	30,242	227,242	152,407	74,835				
Energy (Electricity)	335,000		335,000	254,708	80,292				
Other Objects	1,000		1,000	182	818				
Total Undist. Expend. - Custodial Services	1,622,000	38,889	1,660,889	1,312,462	348,427				
Undist. Expend. - Care & Upkeep of Grounds									
Purchased Professional and Technical Services	130,000		130,000	119,947	10,053				
Cleaning, Repair and Maintenance Services	9,000	879	9,879	1,313	8,566				
General Supplies	19,000		19,000	8,212	10,788				
Total Undist. Expend. - Care & Upkeep of Grounds	158,000	879	158,879	129,472	29,407				
Undist. Expend. - Security									
Salaries	1,500		1,500	308	1,192				
Purchased Professional and Technical Services	20,000		20,000	5,749	14,251				
Repair and Maintenance	5,000	138	5,138	1,508	3,630				
General Supplies	10,000		10,000	111	9,889				
Total Undist. Expend. - Security	36,500	138	36,638	7,676	28,962				
Total Undist. Expend-Oper & Maint of Plant Services	2,507,000	68,926	2,575,926	1,938,567	637,359				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual	
Undist. Expend. - Student Transportation Services						
Contracted Services (Between Home & School)-Vendors	991,000	(37,632)	953,368	799,510	153,858	
Contract Services (Other than Between Home & School)-Vendors	74,000	2,100	76,100	34,432	41,668	
Contracted Services (Between Home & School)-Joint Agreements	192,500	46,643	239,143	162,977	76,166	
Contracted Services (Special Ed. Students)-Vendors	630,500	47,700	678,200	614,524	63,676	
Contracted Services (Special Ed. Students)-ESCs & CTSA's	503,500	1,154	504,654	436,452	68,202	
Misc. Purchased Services-Transportation	4,500	1,320	5,820	5,818	2	
Transportation Supplies	4,000	(1,320)	2,680	2,607	73	
Total Undist. Expend. - Student Transportation Services	2,400,000	59,965	2,459,965	2,056,320	403,645	
UNALLOCATED BENEFITS						
Social Security Contributions	305,000	32,728	337,728	308,996	28,732	
Other Retirement Contributions-PERS	340,000	(3,313)	336,687	297,497	39,190	
Unemployment Compensation	65,000	5,300	70,300	70,205	95	
Workmen's Compensation	150,000	3,165	153,165	153,165		
Health Benefits	4,506,306	(109,285)	4,397,021	4,249,632	147,389	
Tuition Reimbursement	170,000	105,837	275,837	238,319	37,518	
Other Employee Benefits	69,700	3,800	73,500	42,180	31,320	
TOTAL UNALLOCATED BENEFITS	5,606,006	38,232	5,644,238	5,359,994	284,244	
ON-BEHALF CONTRIBUTIONS						
On-behalf TPAF NCGI Premium (non-budgeted)				43,066	(43,066)	
On-behalf TPAF Post-Retirement Medical (non-budgeted)				952,751	(952,751)	
On-behalf Long-Term Disability Insurance				2,624	(2,624)	
On-behalf TPAF Premium				2,057,363	(2,057,363)	
Reimbursed TPAF Social Security Contributions (non-budgeted)				931,104	(931,104)	
TOTAL ON-BEHALF CONTRIBUTIONS				3,986,908	(3,986,908)	
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,606,006	38,232	5,644,238	9,346,902	(3,702,664)	
TOTAL UNDISTRIBUTED EXPENDITURES	17,835,428	392,577	18,228,005	19,772,072	(1,544,067)	
TOTAL GENERAL CURRENT EXPENSE	30,104,146	507,204	30,611,350	31,035,430	(424,080)	

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2019									
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual				
CAPITAL OUTLAY									
Equipment:									
Undist. Expend.- Kindergarten		62,065	62,065	62,018	47				
Undist. Expend.- Grades 1-5		12,559	12,559	12,559					
Undist. Expend.- Grades 6-8	8,250	10,548	18,798	12,559	6,239				
Undist. Expend.- Admin Info. Tech.		33,816	33,816	33,221	595				
Undist. Expend.- Care and Upkeep of Grounds		35,143	35,143	35,143					
Undist. Expend.- Custodial Services	18,012	23,143	41,155	26,447	14,708				
Total Equipment	26,262	177,274	203,536	181,947	21,589				
Facilities Acquisition and Construction Services									
Architectural/Engineering Services		5,658	5,658		5,658				
Other Purchased Professional and Technical Services		2,416	2,416		2,416				
Construction Services	107,558		107,558	32,841	74,717				
Assessment for Debt Service SDA Funding	17,762		17,762	17,762					
Total Facilities Acquisition and Construction Services	125,320	8,074	133,394	50,603	82,791				
TOTAL CAPITAL OUTLAY	151,582	185,348	336,930	232,550	104,380				
Transfer of Funds to Charter Schools	41,391		41,391		41,391				
TOTAL EXPENDITURES	30,297,119	692,552	30,989,671	31,267,980	(278,309)				
Excess (Deficiency) of Revenues (Over Under) Expenditures	(3,256,721)	(923,406)	(4,180,127)	714,760	4,894,887				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Transfers/ Adjustments	Final Budget	18-19 Actual	Variance Final to Actual	
Other Financing Sources/(Uses):						
Operating Transfer In (Out):						
Capital Leases (non-budgeted)						
Transfer from Capital Project Fund		(19,495)	(19,495)	282,515	282,515	
Transfer to Capital Project Fund					19,495	
Total Other Financing Sources/(Uses):			(19,495)	282,515	302,010	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3,256,721)	(942,901)	(4,199,622)	997,275	5,196,897	
Fund Balance, July 1	10,395,246	(1,756,405)	8,638,841	13,269,193	4,630,352	
Fund Balance, June 30	7,138,525	(2,699,306)	4,439,219	14,266,468	9,827,249	
Reconciliation:						
Adjustment for prior years encumbrances				(712,047)		
Transfer to Capital Reserve			(712,047)	1,056,722	1,056,722	
Transfer to Maintenance Reserve				33,218	33,218	
Transfer to Emergency Reserve				230,854	230,854	
Transfer to Impact Aid Reserve				77,530	77,530	
Withdrawal from Emergency Reserve Principal			(230,854)	(230,854)		
Withdrawal from Capital Reserve Principal	(125,320)		(125,320)	(77,683)	47,637	
Withdrawal from Maintenance Reserve Principal	(200,000)		(200,000)	(96,452)	103,548	
Budgeted Fund Balances	(2,931,401)		(2,931,401)	715,987	3,647,388	
Total	(3,256,721)	(942,901)	(4,199,622)	997,275	5,196,897	
Recapitulation:						
Restricted Fund Balance:						
Capital Reserve				4,952,533		
Maintenance Reserve				1,516,460		
Emergency Reserve				250,000		
Impact Aid				248,406		
Excess Surplus - Designated for Subsequent Year's Expenditures				2,751,863		
Total				3,028,102		
Assigned Fund Balance:						
Year-End Encumbrances				504,105		
Total				1,014,999		
Unassigned Fund Balance				14,266,468		
Total						
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(340,378)		
Fund Balance per Governmental Funds (GAAP)				13,926,090		

Tinton Falls School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	100,000	4,392	104,392	60,685	(43,707)
State Sources	154,468	85,198	239,666	235,932	(3,734)
Federal Sources	637,553	45,084	682,637	543,235	(139,402)
Total Revenues	892,021	134,674	1,026,695	839,852	(186,843)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	221,295	(124,401)	96,894	95,384	1,510
Purchased Professional - Educational Services		650	650		650
Purchased Professional and Technical Services	93,535	31,171	124,706	122,041	2,665
Other Purchased Services (400-500 series)	350,000	12,448	362,448	301,333	61,115
General Supplies	26,566	30,790	57,356	6,509	50,847
Textbooks	17,135	6,235	23,370	17,301	6,069
Other Objects	75,000	(26,010)	48,990	48,990	
Total Instruction	783,531	(69,117)	714,414	591,558	122,856
Support Services:					
Salaries		1,781	1,781		1,781
Personal Services - Employee Benefits		32,528	32,528	32,338	190
Purchased Professional & Technical Services	108,490	163,281	271,771	214,841	56,930
Supplies & Materials		2,064	2,064	1,115	949
Other Objects					
Total Support Services	108,490	199,654	308,144	248,294	59,850
Facilities Acquisition and Const. Serv.:					
Instructional Equipment		4,137	4,137		4,137
Total Facilities Acquisition and Const. Serv.		4,137	4,137		4,137
Total Expenditures	892,021	134,674	1,026,695	839,852	186,843
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

Tinton Falls School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Year Ended June 30, 2019

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	31,982,740	839,852
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		345,396	
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).		(340,378)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	31,987,758	839,852
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	31,267,980	839,852
Differences - budget to GAAP			
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]	31,267,980	839,852

**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**

	2019	2018	2017	2016	2015
Districts proportion of the net pension liability (asset)	0.0263217100%	0.0278985200%	0.0289584800%	0.0291305962%	0.0289024950%
District's proportionate share of the net pension liability (asset)	\$5,182,614	\$6,494,330	\$8,576,671	\$ 6,539,235	\$ 5,411,338
District's covered payroll - PERS	\$1,883,160	\$1,894,697	\$1,841,746	\$ 1,944,818	\$ 1,982,147
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	275.21%	342.76%	465.68%	336.24%	273.00%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	59.86%	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*

	2019	2018	2017	2016	2015
Contractually required contribution	\$261,816	\$258,450	\$257,263	\$250,445	\$238,268
Contributions in relation to the contractually required contribution	<u>(\$261,816)</u>	<u>(\$258,450)</u>	<u>(\$257,263)</u>	<u>(\$250,445)</u>	<u>(\$238,268)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll - PERS	\$ 1,883,160	\$ 1,894,897	\$ 1,841,746	\$ 1,944,818	\$ 1,982,147
Contributions as a percentage of covered payroll	13.90%	13.64%	13.97%	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*

	2019	2018	2017	2016	2015
Districts proportion of the net pension liability (asset)	0.0967777920%	0.0989457150%	0.0101404953%	0.1071318514%	0.1084254465%
District's proportionate share of the net pension liability (asset)	\$ 61,567,952	\$ 66,712,769	\$ 79,771,592	\$ 67,711,905	\$ 57,949,872
District's covered payroll - TPAF	\$ 11,397,975	\$ 11,286,911	\$ 10,713,027	\$ 9,781,169	\$ 9,802,382
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	540.17%	591.06%	744.62%	692.27%	591.18%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	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, 2019

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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. 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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TINTON FALLS SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Costs	\$ 2,423,476	\$ 2,008,820
Interest on Total OPEB Liability	1,751,089	2,032,129
Changes in Assumptions	(7,214,929)	(5,394,992)
Differences Between Expected and Actual Experience		(5,775,219)
Gross Benefit Payments	(1,282,164.00)	(1,257,114.00)
Contribution from the Member	47,212	43,448
Net Changes in total Share of OPEB Liability	<u>(4,275,316)</u>	<u>(8,342,928)</u>
Total OPEB Liability - Beginning	<u>59,631,378</u>	<u>55,356,062</u>
Total OPEB Liability - Ending	<u>\$ 55,356,062</u>	<u>\$ 47,013,134</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>55,356,062</u>	<u>47,013,134</u>
Total OPEB Liability - Ending	<u>\$ 55,356,062</u>	<u>\$ 47,013,134</u>
District's Covered Employee Payroll	<u>\$ 13,181,608</u>	<u>\$ 13,281,135</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 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
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2019

Change in benefit terms	None
Change in assumptions	Assumptions used in calculating the OPEB liability are presented in Note 8.

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, 2019

	Total Brought Forward (Ex. E-1a)	Title I, Part A 2018-19	Title II, Part A 2018-19	Title IV 2018-19	Totals 2019
REVENUES					
Local Sources	60,685				60,685
State Sources	235,932				235,932
Federal Sources	377,246	127,722	30,900	7,367	543,235
Total Revenues	673,863	127,722	30,900	7,367	839,852
EXPENDITURES:					
Instruction:					
Salaries of Teachers		95,384			95,384
Purchased Professional and Technical Services	122,041				122,041
Other Purchased Services (400-500 series)	295,293			6,040	301,333
General Supplies	5,297			1,212	6,509
Textbooks	17,301				17,301
Other Objects	48,990				48,990
Total Instruction	488,922	95,384		7,252	591,558
Support Services:					
Salaries					
Personal Services - Employee Benefits		32,338			32,338
Purchased Professional & Technical Services	184,941		29,900		214,841
Supplies & Materials			1,000	115	1,115
Other Objects					
Total Support Services	184,941	32,338	30,900	115	248,294
Facilities Acquisition and Const. Serv.:					
Instructional Equipment					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	673,863	127,722	30,900	7,367	839,852
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, 2019

	Total Brought Forward (Ex. E-1b)	IDEA Part B, Basic 2017-18	IDEA Part B, Basic 2018-19	IDEA Preschool	Non-Public ESL	Non-Public Comp. Ed.	Non-Public Security	Total Carried Forward
REVENUES								
Local Sources	60,685							60,685
State Sources	126,654		358,795	10,189	2,589	10,099	96,590	235,932
Federal Sources	-	8,262						377,246
Total Revenues	187,339	8,262	358,795	10,189	2,589	10,099	96,590	673,863
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-				2,589	10,099		-
Purchased Professional and Technical Services	109,353		290,050					122,041
Other Purchased Services (400-500 series)	-	5,243						295,293
General Supplies	-	144		5,153				5,297
Textbooks	17,301							17,301
Other Objects	48,990							48,990
Total Instruction	175,644	5,387	290,050	5,153	2,589	10,099	-	488,922
Support services:								
Salaries	-							-
Personal Services - Employee Benefits	-							-
Purchased Professional & Technical Services	11,695	2,875	68,745	5,036			96,590	184,941
Supplies & Materials	-							-
Other Objects	-							-
Total Support Services	11,695	2,875	68,745	5,036	-	-	96,590	184,941
Facilities Acquisition and Const. Serv.:								
Instructional Equipment	-							-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-	-
Total Expenditures	187,339	8,262	358,795	10,189	2,589	10,099	96,590	673,863
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Tinton Falls School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

Ch. 193 - Handicapped Services

	Nonpublic Technology Aid	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Annual Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Local Sources	Total Carried Forward
REVENUES								
Local Sources	12,255	17,301	33,052	29,231	18,481	16,334	60,685	60,685
State Sources								126,654
Federal Sources								-
Total Revenues	12,255	17,301	33,052	29,231	18,481	16,334	60,685	187,339
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Purchased Professional and Technical Services	12,255		33,052	29,231	18,481	16,334		109,353
Other Purchased Services (400-500 series)								
General Supplies								
Textbooks		17,301					48,990	17,301
Other Objects								48,990
Total Instruction	12,255	17,301	33,052	29,231	18,481	16,334	48,990	175,644
Support Services:								
Salaries								
Personal Services - Employee Benefits								
Purchased Professional & Technical Services							11,695	11,695
Supplies & Materials								
Other Objects								
Total Support Services	-	-	-	-	-	-	11,695	11,695
Facilities Acquisition and Const. Serv.:								
Instructional Equipment								
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-	-
Total Expenditures	12,255	17,301	33,052	29,231	18,481	16,334	60,685	187,339
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

CAPITAL PROJECTS FUND

**Tinton Falls School District
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2019**

Revenues and Other Financing Sources

Bond proceeds and transfers	\$	32,499,000
Interest on Investments		282,515
Total revenues		32,781,515

Expenditures and Other Financing Uses

Purchased professional and technical services		1,169,453
Construction Services		15,145,841
Other Purchased Services		241,162
Total expenditures		16,556,456
Excess (deficiency) of revenues over (under) expenditures		16,225,059
Transfers to other funds		(282,515)
Cancellations of SCC Grants Receivable		(120,554)
Fund balance - beginning		(393,944)
Fund balance - ending	\$	15,428,046

Recapitulation:

Unrestricted Fund Balance		15,428,046
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		(165,306)
Fund Balance per Governmental Funds (GAAP)		15,262,740

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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,076,468	\$	\$ 1,076,468	\$ 1,076,468
Bond proceeds and transfers	1,627,000		1,627,000	1,627,000
Transfer from capital reserve	778,862		778,862	778,862
Total revenues	3,482,330	-	3,482,330	3,482,330
Expenditures and Other Financing Uses				
Purchased professional and technical services	151,408		151,408	151,408
Construction Services	2,533,650		2,533,650	2,533,650
Total expenditures	2,685,058	-	2,685,058	2,685,058
Excess (deficiency) of revenues over (under) expenditures	\$ 797,272	\$ -	\$ 797,272	\$ 797,272

Additional project information:

Project Number	5185-030-10-1001
Grant Date	9/2/2010
Bond Authorization Date	2/1/2011
Bonds Authorized	\$1,627,635
Bonds Issued	\$1,627,000
Original Authorized Cost	\$4,008,000
Revised Authorized Cost	\$4,009,062
Percentage Increase over Original Authorized Cost	0.03%
Percentage completion	77.11%
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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 899,972	\$	\$ 899,972	\$ 899,972
Bond proceeds and transfers	1,336,480		1,336,480	1,336,480
Transfer from capital reserve	789,325		789,325	789,325
Total revenues	3,025,777	-	3,025,777	3,025,777
Expenditures and Other Financing Uses				
Purchased professional and technical services	139,027		139,027	139,027
Construction Services	2,703,619		2,703,619	2,703,619
Total expenditures	2,842,646	-	2,842,646	2,842,646
Excess (deficiency) of revenues over (under) expenditures	\$ 183,131	\$ -	\$ 183,131	\$ 183,131

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	93.95%
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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 61,885	\$	\$ 61,885	\$ 61,885
Bond proceeds and transfers	<u>541,320</u>	<u> </u>	<u>541,320</u>	<u>541,320</u>
Total revenues	<u>603,205</u>	<u> </u>	<u>603,205</u>	<u>603,205</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	50,654	<u> </u>	50,654	50,654
Construction Services	<u>501,178</u>	<u> </u>	<u>501,178</u>	<u>501,178</u>
Total expenditures	<u>551,832</u>	<u> </u>	<u>551,832</u>	<u>551,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 51,373</u>	<u>\$ -</u>	<u>\$ 51,373</u>	<u>\$ 51,373</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	91.48%			
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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 728,000	\$ (120,554)	\$ 607,446	\$ 607,446
Bond proceeds and transfers	1,061,200		1,061,200	1,061,200
Transfer from capital reserve	68,854		68,854	68,854
Total revenues	<u>1,858,054</u>	<u>(120,554)</u>	<u>1,737,500</u>	<u>1,737,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	72,518		72,518	72,518
Construction Services	1,358,477		1,358,477	1,358,477
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>\$ (120,554)</u>	<u>\$ 306,505</u>	<u>\$ 306,505</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	82.36%
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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	202,000		202,000	202,000
Transfer from capital reserve	137,500		137,500	137,500
Total revenues	<u>339,500</u>	<u>-</u>	<u>339,500</u>	<u>339,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	13,987		13,987	13,987
Construction Services	267,041		267,041	267,041
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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 80,000	\$	\$ 80,000	\$ 80,000
Transfer from capital reserve	<u>120,000</u>	<u> </u>	<u>120,000</u>	<u>120,000</u>
Total revenues	<u>200,000</u>	<u> -</u>	<u>200,000</u>	<u>200,000</u>
Expenditures and Other Financing Uses				
Construction Services	<u>56,846</u>	<u> </u>	<u>56,846</u>	<u>56,846</u>
Total expenditures	<u>56,846</u>	<u> -</u>	<u>56,846</u>	<u>56,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 143,154</u>	<u>\$ -</u>	<u>\$ 143,154</u>	<u>\$ 143,154</u>

Additional project information:

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

Tinton Falls School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Security Upgrades to Swimming River Elementary School
 For the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 76,000	\$	\$ 76,000	\$ 76,000
Transfer from capital reserve	<u>114,000</u>	<u></u>	<u>114,000</u>	<u>114,000</u>
Total revenues	<u>190,000</u>	<u>-</u>	<u>190,000</u>	<u>190,000</u>
Expenditures and Other Financing Uses				
Construction Services	<u>50,536</u>	<u></u>	<u>50,536</u>	<u>50,536</u>
Total expenditures	<u>50,536</u>	<u>-</u>	<u>50,536</u>	<u>50,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 139,464</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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 80,000	\$	\$ 80,000	\$ 80,000
Transfer from capital reserve	<u>120,000</u>		<u>120,000</u>	<u>120,000</u>
Total revenues	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Expenditures and Other Financing Uses				
Construction Services	<u>69,355</u>		<u>69,355</u>	<u>69,355</u>
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
Renovations, Alterations and Improvements to Mahala F. Atchinson School
For the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond proceeds and transfers	\$ -	\$ 9,057,000	\$ 9,057,000	\$ 9,057,000
Transfer from capital reserve	-	-	-	-
Total revenues	-	9,057,000	9,057,000	9,057,000
Expenditures and Other Financing Uses				
Purchased professional and technical services	354,695	70,722	425,417	425,417
Construction Services	914,255	4,073,846	4,988,101	4,988,101
Other Purchased Services	30,256	89,509	119,765	119,765
Total expenditures	1,299,206	4,234,077	5,533,283	5,533,283
Excess (deficiency) of revenues over (under) expenditures	\$ (1,299,206)	\$ 4,822,923	\$ 3,523,717	\$ 3,523,717

Additional project information:

Bond Authorization Date	9/26/2017
Bonds Authorized	\$9,607,000
Bonds Issued	7/24/2018
Original Authorized Cost	\$9,607,000
Revised Authorized Cost	\$9,057,000

Percentage Increase over Original Authorized Cost	-5.72%
Percentage completion	61.09%
Original target completion date	
Revised target completion date	

Tinton Falls School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Renovations, Alterations and Improvements to Swimming River School
 For the Year Ended June 30, 2019

Transfer from capital outlay				Revised Authorized Cost
	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	
Revenues and Other Financing Sources				
Bond proceeds and transfers	\$ -	\$ 9,984,000	\$ 9,984,000	\$ 9,984,000
Transfer from capital reserve	-	-	-	-
Total revenues	<u>-</u>	<u>9,984,000</u>	<u>9,984,000</u>	<u>9,984,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	63,728	618,418	682,146	682,146
Construction Services	66,323	5,158,355	5,224,678	5,224,678
Other Purchased Services	<u>14,243</u>	<u>35,982</u>	<u>50,225</u>	<u>50,225</u>
Total expenditures	<u>144,294</u>	<u>5,812,755</u>	<u>5,957,049</u>	<u>5,957,049</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(144,294)</u>	\$ <u>4,171,245</u>	\$ <u>4,026,951</u>	\$ <u>4,026,951</u>

Additional project information:

Bond Authorization Date	9/26/2017
Bonds Authorized	\$9,484,000
Bonds Issued	7/24/2018
Original Authorized Cost	\$9,484,000
Revised Authorized Cost	\$9,984,000

Percentage Increase over Original Authorized Cost	5.27%
Percentage completion	59.67%
Original target completion date	
Revised target completion date	

**Tinton Falls School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Renovations, Alterations and Improvements to Tinton Falls Middle School
For the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Transfer from capital outlay				
Revenues and Other Financing Sources				
Bond proceeds and transfers	\$ -	\$ 13,458,000	\$ 13,458,000	\$ 13,458,000
Transfer from capital reserve	-	-	-	-
Total revenues	<u>-</u>	<u>13,458,000</u>	<u>13,458,000</u>	<u>13,458,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	249,490	480,313	729,803	729,803
Construction Services	587,085	5,913,640	6,500,725	6,500,725
Other Purchased Services	44,439	115,671	160,110	160,110
Total expenditures	<u>881,014</u>	<u>6,509,624</u>	<u>7,390,638</u>	<u>7,390,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (881,014)</u>	<u>\$ 6,948,376</u>	<u>\$ 6,067,362</u>	<u>\$ 6,067,362</u>

Additional project information:

Bond Authorization Date	9/26/2017
Bonds Authorized	\$13,408,000
Bonds Issued	7/24/2018
Original Authorized Cost	\$13,408,000
Revised Authorized Cost	\$13,458,000

Percentage Increase over Original Authorized Cost	0.37%
Percentage completion	54.92%
Original target completion date	
Revised target completion date	

PROPRIETARY FUNDS

**Tinton Falls School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2019**

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Early Birds Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents	162,671	837,173		588,096	1,587,940
Accounts Receivable:					
State	235				235
Federal	8,087				8,087
Inventory	712				712
Total Current Assets	<u>171,705</u>	<u>837,173</u>	<u>-</u>	<u>588,096</u>	<u>1,596,974</u>
Noncurrent Assets:					
Capital Assets:					
Equipment	31,316				31,316
Less Accumulated Depreciation	(29,228)				(29,228)
Total Capital Assets (Net of Accumulated Depreciation)	<u>2,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,088</u>
Total Assets	<u><u>173,793</u></u>	<u><u>837,173</u></u>	<u><u>-</u></u>	<u><u>588,096</u></u>	<u><u>1,599,062</u></u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	14,308	2,135			16,443
Deferred Revenue	11,061				11,061
Total Current Liabilities	<u>25,369</u>	<u>2,135</u>	<u>-</u>	<u>-</u>	<u>27,504</u>
Total Liabilities	<u>25,369</u>	<u>2,135</u>	<u>-</u>	<u>-</u>	<u>27,504</u>
NET POSITION					
Invested in Capital Assets Net of Related Debt	2,088				2,088
Unrestricted	146,336	835,038	-	588,096	1,569,470
Total Net Position	<u><u>148,424</u></u>	<u><u>835,038</u></u>	<u><u>-</u></u>	<u><u>588,096</u></u>	<u><u>1,571,558</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, 2019

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Early Birds Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	182,846				182,846
Daily Sales - Non-Reimbursable Programs	97,886				97,886
Miscellaneous	3,412	210,241	28,748		242,401
Total Operating Revenues	<u>284,144</u>	<u>210,241</u>	<u>28,748</u>	<u>-</u>	<u>523,133</u>
Operating Expenses:					
Cost of Food - Reimbursable	132,416				132,416
Cost of Food - Non-Reimbursable	49,086				49,086
Cost of Sales - Other	57,100				57,100
Labor	187,394	137,059	29,817		354,270
Supplies and Materials	11,075	6,552			17,627
Employee Benefits	41,959	10,246			52,205
Miscellaneous Expense	12,958	45,817	4,669		63,444
Depreciation	1,043				1,043
Total Operating Expenses	<u>493,031</u>	<u>199,674</u>	<u>34,486</u>	<u>-</u>	<u>727,191</u>
Operating Income (Loss)	(208,887)	10,567	(5,738)	-	(204,058)
Non-operating Revenues (Expenses):					
State Sources:					
State School Lunch Program	4,814				4,814
Federal Sources:					
National School Lunch Program	127,723				127,723
National School Breakfast Program	22,714				22,714
Food Distribution Program	38,986				38,986
Interest and Investment Revenue	991				991
Total Non-operating Revenues (Expenses)	<u>195,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,228</u>
Income (Loss) Before Contributions & Transfers	(13,659)	10,567	(5,738)	-	(8,830)
Transfers In (Out)					
Change in Net Position	(13,659)	4,829	-	-	(8,830)
Total Net Position - Beginning	<u>162,083</u>	<u>830,209</u>	<u>-</u>	<u>588,096</u>	<u>1,580,388</u>
Total Net Position—Ending	<u>148,424</u>	<u>835,038</u>	<u>-</u>	<u>588,096</u>	<u>1,571,558</u>

**Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019**

	<u>Food Service Program</u>	<u>Time + Program</u>	<u>Early Birds Program</u>	<u>Kindergarten Enrichment Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	283,682	210,241	28,748		522,671
Interfund Receipts	27,387				27,387
Payments to employees	(187,394)	(137,059)	(34,486)		(358,939)
Payments to vendors	(304,314)	(64,802)			(369,116)
Other Operating receipts			5,738		5,738
Other Operating payments		(5,738)			(5,738)
Net Cash Provided by (Used for) Operating Activities	<u>(180,639)</u>	<u>2,642</u>	<u>-</u>	<u>-</u>	<u>(177,997)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	4,924				4,924
Federal Sources	191,495				191,495
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>196,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	991				991
Net Cash Provided by (Used for) Investing Activities	<u>991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>991</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,771	2,642	-	-	19,413
Balances—Beginning of Year	145,900	834,531	-	588,096	1,568,527
Balances—End of Year	<u>162,671</u>	<u>837,173</u>	<u>-</u>	<u>588,096</u>	<u>1,587,940</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided					
(Used) by Operating Activities:					
Operating Income (Loss)	(208,887)	10,567	(5,738)	-	(204,058)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:					
Depreciation	1,043				1,043
Transfers		(5,738)	5,738		-
(Increase) Decrease in Interfund Accounts Receivable	27,387				27,387
Increase (Decrease) in Deferred Revenue	(462)				(462)
(Increase) Decrease in Inventory	1,280				1,280
Increase (Decrease) in Accounts Payable	(1,000)	(2,187)			(3,187)
Total Adjustments	<u>28,248</u>	<u>(7,925)</u>	<u>5,738</u>	<u>-</u>	<u>26,061</u>
Net Cash Provided by (Used for) Operating Activities	<u>(180,639)</u>	<u>2,642</u>	<u>-</u>	<u>-</u>	<u>(177,997)</u>

FIDUCIARY FUND

Tinton Falls School District
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	46,285
Total assets	<u>46,285</u>
LIABILITIES	
Payable to student groups	43,482
Payroll deductions and withholdings	<u>2,803</u>
Total liabilities	<u>46,285</u>
NET POSITION	<u><u>-</u></u>

**Tinton Falls School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019**

N/A

**Tinton Falls School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
ELEMENTARY SCHOOLS:				
Atchinson	21,691	4,105	3,065	22,731
Swimming River	8,882	1,162	1,119	8,925
Tinton Falls	6,316	17,245	12,953	10,608
Tinton Falls Athletic Fund	1	10,169	8,952	1,218
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>36,890</u>	<u>32,681</u>	<u>26,089</u>	<u>43,482</u>

**Tinton Falls School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Net Payroll	2,901	10,598,725	10,601,520	106
Payroll Deductions and Withholdings	932	7,105,608	7,103,843	2,697
Due to General Fund	<u>11,598</u>	<u> </u>	<u>11,598</u>	<u>-</u>
	<u><u>15,431</u></u>	<u><u>17,704,333</u></u>	<u><u>17,716,961</u></u>	<u><u>2,803</u></u>

LONG-TERM DEBT

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2019**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
School Refunding Bonds of 2011	7/7/2011	\$ 2,150,000	3/15/2020	270,000	5.000%	1,070,000			805,000
			3/15/2021	270,000	5.000%				
			3/15/2022	265,000	3.250%			265,000	
School Bonds of 2011	2/1/2011	\$ 4,768,000	3/15/2020	220,000	3.250%	3,483,000			3,273,000
			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%		210,000			

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2019**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
School Bonds of 2018	7/24/2018	\$ 29,085,000							
			7/15/2020	995,000	5.000%				
			7/15/2021	1,000,000	5.000%				
			7/15/2022	1,075,000	5.000%				
			7/15/2023	1,130,000	5.000%				
			7/15/2024	1,185,000	5.000%				
			7/15/2025	1,250,000	5.000%				
			7/15/2026	1,310,000	5.000%				
			7/15/2027	1,380,000	5.000%				
			7/15/2028	1,450,000	5.000%				
			7/15/2029	1,525,000	5.000%				
			7/15/2030	1,600,000	5.000%				
			7/15/2031	1,685,000	5.000%				
			7/15/2032	1,770,000	5.000%				
			7/15/2033	1,850,000	5.000%				
			7/15/2034	1,920,000	4.000%				
			7/15/2035	1,990,000	5.000%				
			7/15/2036	1,990,000	5.000%				
			7/15/2037	1,990,000	4.000%				
			7/15/2038	1,990,000	4.000%				
							29,085,000		29,085,000
						4,553,000	29,085,000	475,000	33,163,000

Exhibit I-2

**Tinton Falls School District
 General Long Term Debt Account Group
 Statement of Obligations under Capital Leases
 June 30, 2019**

SERIES	Amount Outstanding on July 1, 2018	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2019
Xerox Copiers	89,489		25,568	63,921
TOTAL	89,489	-	25,568	63,921

**Tinton Falls School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	650,575		650,575	650,575	-
Total Revenues	650,575	-	650,575	650,575	-
EXPENDITURES:					
Regular Debt Service:					
Interest	184,328		184,328	184,328	-
Redemption of Principal	475,000		475,000	475,000	-
Total Regular Debt Service	659,328	-	659,328	659,328	-
Total expenditures	659,328	-	659,328	659,328	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,753)	-	(8,753)	(8,753)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(8,753)	-	(8,753)	(8,753)	-
Fund Balance, July 1	8,753	-	8,753	13,961	5,208
Fund Balance, June 30	-	-	-	5,208	5,208

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- 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
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	9,983,688	8,045,100	12,239,035	15,185,862	16,413,404	16,993,755	18,149,617	18,402,959	19,966,758	6,538,339
Restricted	9,680,083	14,666,358	13,389,529	9,452,784	10,128,673	10,323,834	11,469,106	12,853,174	11,668,484	28,519,417
Unrestricted	110,138	(39,857)	48,971	3,141,906	2,973,257	(2,960,149)	(3,135,586)	(4,007,492)	(6,137,731)	(7,253,134)
Total Governmental Activities Net Position	19,773,909	22,671,601	25,677,535	27,780,552	29,515,334	24,357,440	26,483,137	27,248,641	25,497,511	27,804,622
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	-	-	9,394	8,350	7,307	6,263	5,219	4,175	3,131	2,088
Restricted	-	-	777,445	935,275	1,093,434	1,249,337	1,397,869	1,527,914	1,577,257	1,569,470
Unrestricted	580,555	689,404	-	-	-	-	-	-	-	-
Total Business-type Activities Net Position	580,555	689,404	786,839	943,625	1,100,741	1,255,600	1,403,088	1,532,089	1,580,388	1,571,558
District-wide										
Invested in Capital Assets, Net of Related Debt	9,983,688	8,045,100	12,248,429	15,194,212	16,420,711	17,000,018	18,154,836	18,407,134	19,969,889	6,540,427
Restricted	9,680,083	14,666,358	13,389,529	9,452,784	10,128,673	10,323,834	11,469,106	12,853,174	11,668,484	28,519,417
Unrestricted	690,693	(649,547)	826,416	4,077,181	4,066,691	(1,710,812)	(1,737,717)	(2,479,578)	(4,560,474)	(9,683,664)
Total District Net Position	20,354,464	23,361,005	26,464,374	28,724,177	30,616,075	25,613,040	27,886,225	28,780,730	27,077,899	29,376,180

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Instruction:										
Regular	7,438,363	7,155,788	7,657,700	7,727,613	7,111,079	7,662,108	7,462,267	6,973,674	8,228,680	7,889,102
Special Education	2,059,213	1,869,541	2,268,751	2,163,019	2,245,663	2,646,554	2,508,558	2,721,078	3,570,659	3,433,923
Other Special Instruction	317,664	279,564	373,591	406,369	428,882	425,761	369,798	388,129	434,846	428,176
Other Instruction	124,842	112,936	115,722	117,308	123,080	171,835	128,277	131,710	129,645	137,863
Support Services:										
Tuition	544,104	538,468	457,644	540,165	472,421	547,665	664,173	621,870	514,783	418,977
Student & Instruction Related Services	2,905,887	2,762,055	2,903,659	3,309,953	3,446,431	4,271,609	3,867,661	4,691,414	4,359,164	4,319,177
General Administrative Services	582,216	634,441	541,409	532,366	575,136	556,687	560,877	544,547	551,705	461,912
School Administrative Services	908,499	923,854	942,805	908,650	915,384	978,620	922,480	903,093	898,976	982,104
Central Services & Admin. Info. Technology	389,127	384,650	430,472	385,938	360,903	422,291	427,027	459,300	471,537	476,862
Plant Operations and Maintenance	1,843,435	1,745,891	1,659,335	1,713,986	1,770,799	1,830,685	1,797,717	1,945,615	1,939,079	1,951,250
Pupil Transportation	1,853,934	1,712,608	1,639,865	1,542,468	1,603,811	1,801,115	1,797,081	1,872,239	1,752,236	2,056,320
Unallocated Benefits	4,465,189	4,517,516	4,993,625	6,047,880	6,189,116	9,029,891	10,469,011	12,761,445	14,056,811	11,927,582
Capital outlay-undepreciable	45,688	10,169	12,942	17,762	17,762	17,235	17,762	23,244	18,282	17,763
Transfer of Funds to Charter School	568,946	569,882	536,127	507,278	441,297	347,834	304,998	235,922	28,763	28,763
Interest on Long-term Debt	779,482	813,818	934,218	1,147,000	1,251,235	1,454,699	1,456,741	1,545,998	1,538,243	1,458,253
Unallocated Depreciation	24,826,589	24,031,181	25,467,865	27,067,755	26,952,999	32,164,589	32,754,428	35,819,278	38,691,124	37,521,640
Total Governmental Activities Expenses										
Business-type Activities:										
Food Service	457,353	444,806	487,597	452,665	445,823	456,482	480,606	476,788	475,937	493,031
Time+	151,532	167,828	144,880	158,016	145,455	159,142	132,581	132,625	192,137	199,674
Kindergarten Enrichment Program	94,042	89,080	99,501	100,954	93,265	100,055	1,546			
Early Bird Program									27,218	34,486
Total Business-type Activities Expenses	702,927	701,714	731,978	711,635	684,543	715,679	614,733	609,413	695,292	727,191
Total District Expenses	25,529,516	24,732,895	26,199,843	27,779,390	27,637,542	32,880,268	33,369,161	36,428,691	39,386,416	38,248,831
Program Revenues										
Governmental Activities:										
Operating and Capital Grants and Contributions	1,508,265	1,459,399	2,691,591	2,520,762	2,640,958	1,792,817	1,336,988	1,843,290	1,745,154	1,821,865
Total Governmental Activities Program Revenues	1,508,265	1,459,399	2,691,591	2,520,762	2,640,958	1,792,817	1,336,988	1,843,290	1,745,154	1,821,865
Business-type Activities:										
Charges for Services:										
Food Service	373,031	363,976	346,008	348,374	309,023	283,691	302,980	283,017	274,238	284,144
Operating Grants and Contributions	105,729	114,424	124,028	138,602	153,371	170,779	204,668	210,125	195,688	195,228
Kindergarten Enrichment	154,829	155,968	158,418	157,990	163,015	192,239	10,453	245,272	250,469	210,241
Time+	174,326	174,458	182,109	184,447	243,012	223,829	244,120		23,196	28,748
Early Bird Program										
Total Business-type Activities Program Revenues	807,915	808,826	810,563	829,413	868,421	870,538	762,221	738,414	743,591	718,361
Total District Program Revenues	2,316,180	2,268,225	3,502,154	3,350,175	3,509,379	2,663,355	2,099,209	2,581,704	2,488,745	2,540,226

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental Activities	(23,318,324)	(22,571,782)	(22,776,274)	(24,546,993)	(24,312,041)	(30,371,772)	(31,417,440)	(33,975,988)	(36,945,970)	(35,699,775)
Business-type Activities	104,988	107,112	78,585	117,778	183,878	154,859	147,488	129,001	48,299	(8,830)
Total District-wide Net Expense	(23,213,336)	(22,464,670)	(22,697,689)	(24,429,215)	(24,128,163)	(30,216,913)	(31,269,952)	(33,846,987)	(36,897,671)	(35,708,605)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	17,580,444	17,680,228	18,387,437	18,755,185	19,016,660	20,115,792	20,843,321	21,882,943	22,493,327	23,053,423
Taxes Levied for Debt Service	1,723,472	1,527,327	1,535,406	1,880,554	1,827,908	2,008,505	1,967,742	1,510,456	658,032	650,575
Unrestricted Federal and State Aid	5,146,911	4,134,280	4,201,864	5,065,716	5,541,513	8,092,232	9,469,938	11,127,164	12,095,044	9,820,907
Tuition Received	100,582	136,707	34,161	93,011	58,954	197,953	190,185	148,742	77,784	301,679
Interest on Investments	130,048	39,121	26,928	14,410	8,160					
Miscellaneous Income	81,683	65,459	51,486	89,999	71,166	102,628	113,901	120,263	264,142	766,302
Loss on refunding of long-term debt				54,162						
Capital Asset Adjustment	106,032	15,303						(48,076)		3,414,000
Gain / (Loss) on Disposal of Assets										
Bond Premiums									(393,489)	
Transfers	(16,977)				5,452		964,736			
Cancellation of State Grants Receivable										
Total Governmental Activities	24,852,195	23,598,425	24,237,282	25,953,037	26,529,813	30,517,110	33,549,823	34,741,492	35,194,840	38,006,886
Business-type Activities:										
Transfers	3,279									
Total Business-type Activities	3,279	-	-							
Total District-wide	24,855,474	23,598,425	24,237,282	25,953,037	26,529,813	30,517,110	33,549,823	34,741,492	35,194,840	38,006,886
Change in Net Position										
Governmental Activities	1,533,871	1,026,643	1,461,008	1,406,044	2,217,772	145,338	2,125,697	765,504	(1,751,130)	2,307,111
Business-type Activities	108,267	107,112	78,585	117,778	183,878	154,859	147,488	129,001	48,299	(8,830)
Total District	1,642,138	1,133,755	1,539,593	1,523,822	2,401,650	300,197	2,273,185	894,505	(1,702,831)	2,298,281

Source: District Audits

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	8,543,862									
Unreserved	475,869									
Restricted	5,602,013	6,932,097	6,815,872	7,905,907	7,905,907	7,855,568	9,456,894	10,836,074	11,657,328	12,747,364
Assigned	2,763,846	2,530,453	3,055,392	2,985,905	2,985,905	2,193,326	2,470,719	1,983,850	712,047	504,105
Unassigned	703,474	674,684	741,512	604,776	604,776	760,277	461,600	525,224	554,422	674,621
Total General fund	9,019,731	9,069,333	10,137,234	10,612,776	11,496,588	10,809,171	12,389,213	13,345,148	12,923,797	13,926,090
All Other Governmental Funds										
Reserved										
Unreserved, Reported in:										
Special Revenue Fund	1,405,888									
Capital Projects Fund	1,681									
Debt Service										
Restricted, Reported in:										
Capital Projects Fund	6,296,540	3,873,604	3,873,604	2,582,143	2,212,246	2,460,204	2,003,151	2,003,151	(714,852)	15,262,740
Debt Service Fund	3,959	53,375	53,375	54,769	9,404	8,062	9,061	13,949	13,961	5,208
Total All Other Governmental Funds	1,407,569	6,300,499	3,926,979	2,636,912	2,221,650	2,468,266	2,012,212	2,017,100	(700,891)	15,267,948

Source: District Audits

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	19,207,555	19,922,843	20,635,739	20,844,568	21,493,097	22,124,297	22,811,063	23,393,399	23,151,359	23,703,998
Other Local Revenue	256,445	195,894	197,420	229,506	168,305	300,581	304,086	269,005	341,926	1,032,933
State Sources	4,740,322	5,966,111	6,801,088	7,295,646	6,583,007	6,583,007	6,752,855	7,199,162	7,467,402	8,371,918
Federal Sources	838,199	844,025	751,702	795,600	642,468	762,989	693,013	890,512	738,505	651,851
Total Revenues	25,042,521	26,928,873	28,385,949	29,165,320	28,689,516	29,770,874	30,561,017	31,752,078	31,699,192	33,760,700
Expenditures										
Instruction:										
Regular	7,333,207	7,079,836	7,591,154	7,700,597	7,086,213	7,604,821	7,405,055	6,919,342	8,187,077	7,854,954
Special	2,059,213	1,869,541	2,268,751	2,163,019	2,245,663	2,646,554	2,508,558	2,721,078	3,570,659	3,433,923
Other Special Instruction	317,664	279,564	373,591	406,369	429,882	425,761	369,798	388,129	434,846	428,176
Other Instruction	124,842	112,936	115,722	117,308	123,080	171,835	128,277	131,710	129,645	137,863
Support Services:										
Instruction - Tuition	544,104	521,532	443,585	540,165	472,421	547,665	664,173	621,870	514,783	418,977
Student Related Services	2,980,152	2,785,430	2,883,712	3,309,953	3,446,431	4,271,609	3,867,661	4,691,414	4,359,164	4,319,177
General Administration	582,216	634,441	541,409	512,028	545,022	543,026	546,159	601,789	567,314	481,457
School Administration	908,499	923,854	942,805	908,650	915,384	978,620	922,480	903,093	898,976	982,104
Central Services & Admin. Info. Technology	389,127	384,650	430,472	385,938	388,191	449,579	454,315	489,300	471,537	476,862
Operations and Maintenance	1,841,218	1,738,765	1,648,346	1,749,202	1,820,464	1,785,816	1,785,816	1,934,133	1,927,597	1,938,567
Student Transportation	1,853,934	1,712,608	1,639,865	1,542,468	1,603,811	1,801,115	1,797,081	1,872,239	1,752,236	2,056,320
Employee Benefits	4,483,265	4,459,981	5,072,247	6,004,770	6,213,400	6,456,757	6,949,405	7,427,498	8,241,420	9,346,902
Transfer to Charter School			14,060						28,763	
Capital Outlay	1,234,000	2,443,102	3,095,904	2,900,166	1,121,963	431,166	983,585	702,075	2,697,800	16,789,006
Debt Service:										
Principal	1,210,000	1,270,000	1,345,000	1,360,000	1,415,000	1,675,000	1,710,000	1,305,000	460,000	475,000
Interest and Other Charges	582,135	521,165	575,123	521,103	455,703	387,703	309,402	240,428	203,228	184,328
Total Governmental Fund Expenditures	26,443,576	26,737,405	28,981,746	30,121,736	28,219,231	30,211,675	30,401,765	30,919,098	34,445,045	49,323,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,401,055)	191,468	(595,797)	(956,416)	470,285	(440,801)	159,252	832,980	(2,745,853)	(15,562,916)
Other Financing Sources (Uses)										
Cancelled Receivable's from State										
Bond Proceeds										
Bond Premium										
Operating Transfers In	533,184	1,926,678	5,004	10,659	59,972	357,865	1,426,984	479,264	182,363	35,048
Operating Transfers Out	(533,184)	(1,943,614)	(5,004)	(5,207)	(61,707)	(357,865)	(367,830)	(479,264)	(182,363)	29,085,000
Proceeds from Borrowing		4,768,000								3,414,000
Payment to refunding escrow										282,515
Capital Leases (non-budgeted)										(282,515)
Total Other Financing Sources (Uses)		4,751,064	(709,822)	141,891	(1,735)		964,736	127,843	(393,489)	
Net Changes in Fund Balance	(1,401,055)	4,942,532	(1,305,619)	(814,525)	468,550	(440,801)	1,123,988	960,823	(3,139,342)	16,971,132
Debt Service as a percentage of noncapital expenditures	7.11%	7.37%	7.42%	6.91%	6.90%	6.93%	6.86%	5.11%	2.09%	2.03%

Source: District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Income</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2017	148,742	35,141	63,249	247,132
2018	77,784	127,778	136,364	341,926
2019	301,679	429,886	301,368	1,032,933

Source: District records.

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

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
R 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
2016	65,269,000	2,087,213,800	7,912,800	194,700	596,546,900	30,908,000	189,335,900	2,977,381,200	0	3,672,701	2,981,053,901	0.774	3,180,001,569
2017	58,513,400	2,171,211,000	7,643,200	176,200	586,483,700	31,279,700	190,251,700	3,045,558,900	0	3,744,960	3,049,303,860	0.747	3,191,353,956
2018	54,390,000	2,292,710,400	7,889,000	180,400	600,048,300	34,033,700	193,103,400	3,182,355,200	0	3,706,090	3,186,061,290	0.732	3,263,689,411

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Denotes revaluation.

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

Shrewsbury Township:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2009	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,611,500	\$72,576,200	0	149,178	\$72,725,378	0.670	79,314,947
2010	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.663	75,611,792
2011	\$0	\$24,964,700	\$0	\$0	\$0	\$0	\$47,606,300	\$72,571,000	0	191,912	\$72,762,912	0.637	69,659,242
2012	\$0	\$20,494,700	\$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	\$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	\$36,224,700	\$56,468,200	0	386,483	\$56,854,683	0.695	56,854,683
2015	\$0	\$17,662,400	\$0	\$0	\$0	\$0	\$32,241,700	\$49,904,100	0	403,243	\$50,307,343	0.681	52,019,037
2016	\$0	\$19,315,800	\$0	\$0	\$0	\$0	\$33,224,700	\$52,540,500	0	403,895	\$52,944,395	0.681	52,018,826
2017	\$0	\$19,564,700	\$0	\$0	\$0	\$0	\$34,309,800	\$53,874,500	0	404,763	\$54,279,263	0.661	53,088,608
2018	\$0	\$19,875,800	\$0	\$0	\$0	\$0	\$38,055,000	\$57,930,800	0	409,645	\$58,340,445	0.598	53,118,691

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Denotes revaluation.

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

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Local School District	Total Direct	Monmouth Regional School District	Tinton Falls Borough	Library/Other		
							Monmouth County	Monmouth County	
2009	0.569	0.054	0.623	0.623	0.336	0.410	0.277	0.277	1.646
2010	0.592	0.056	0.648	0.648	0.344	0.416	0.285	0.285	1.693
2011	0.649	0.054	0.703	0.703	0.366	0.439	0.300	0.300	1.808
2012	0.672	0.067	0.739	0.739	0.409	0.464	0.305	0.305	1.917
2013	0.693	0.070	0.763	0.763	0.406	0.477	0.314	0.314	1.960
2014	0.729	0.075	0.804	0.804	0.434	0.517	0.342	0.342	2.097
2015	0.696	0.072	0.768	0.768	0.415	0.504	0.320	0.320	2.007
2016	0.707	0.067	0.774	0.774	0.428	0.515	0.315	0.315	2.032
2017	0.726	0.021	0.747	0.747	0.416	0.521	0.284	0.284	1.987
2018	0.712	0.020	0.732	0.732	0.393	0.512	0.18	0.18	1.937

Township of Shrewsbury:

Fiscal Year Ended June 30,	Tinton Falls School District				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Local School District	Total Direct	Monmouth Regional School District	Shrewsbury Township	Library/Other		
							Monmouth County	Monmouth County	
2009	0.612	0.058	0.670	0.670	0.324	0.926	0.266	0.266	2.201
2010	0.606	0.057	0.663	0.663	0.315	1.019	0.267	0.267	2.278
2011	0.588	0.049	0.637	0.637	0.316	1.042	0.255	0.255	2.264
2012	0.701	0.078	0.779	0.779	0.469	1.327	0.264	0.264	2.853
2013	0.699	0.077	0.776	0.776	0.427	1.429	0.313	0.313	2.964
2014	0.644	0.051	0.695	0.695	0.451	1.462	0.286	0.286	2.911
2015	0.631	0.050	0.681	0.681	0.573	1.688	0.305	0.305	3.266
2016	0.575	0.054	0.629	0.629	0.582	1.453	0.276	0.276	2.958
2017	0.642	0.019	0.661	0.661	0.475	1.438	0.270	0.270	2.862
2018	0.580	0.018	0.598	0.598	0.354	1.336	0.255	0.255	2.559

Source: District Records and Municipal Tax Collector

N/A=NOT AVAILABLE

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

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

R Revaluation year.

**Tinton Falls School District
Principal Property Taxpayers,**

Exhibit J-8a

Unaudited

TINTON FALLS BOROUGH

	2017			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
CPG Tinton Falls Urban Renewal, LLC	\$175,000,000	1	5.75%	\$73,706,400	1	6.46%
TF Campus LLC	\$135,000,000	2	4.43%			
Avalonbay Community Inc.	\$36,918,600	3	1.21%			
Stavola Realty Company	\$16,832,700	8	0.55%	\$22,053,600	2	1.93%
Tinton Pines Construction Co.	\$15,663,600	4	0.51%			
Tinton Falls Lodging Realty LLC	\$15,457,200	6	0.51%	\$7,033,100	6	0.62%
Hovsons, Inc.	\$14,810,000	5	0.49%	\$6,621,100	7	0.58%
CRP Kensington, LLC	\$14,374,400	8	0.47%			
New Plan Realty Trust	\$13,209,000	9	0.43%			
Atival LLC	\$12,925,000	10	0.42%			
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%
	\$450,190,500		14.78%	\$156,414,300		13.72%

Source: Municipal Tax Assessor

Tinton Falls School District
Principal Property Taxpayers

Exhibit J-8b

Unaudited

SHREWSBURY TOWNSHIP

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

Source: Municipal Tax Assessor
N/A = Not Available

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

TINTON FALLS BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2017	23,076,751	23,076,751	100.00%	-
2018	22,791,555	22,791,555	100.00%	-
2019	23,314,486	23,314,486	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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2017	316,648	316,648	100.00%	-
2018	359,804	359,804	100.00%	-
2019	389,512	389,512	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			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Debt Authorized but not Issued	Capital Leases	Capital Leases	Capital Leases			
2010	10,816,959	0	0	128,435	0	0	10,945,394	1.07%	612
2011	14,289,380	0	0	85,480	0	0	14,374,860	1.38%	803
2012	12,228,440	0	0	45,808	0	0	12,274,248	1.12%	687
2013	10,881,187	0	0	136,439	0	0	11,017,626	0.97%	613
2014	9,508,940	0	0	109,151	0	0	9,618,091	0.81%	537
2015	7,867,440	0	0	81,863	0	0	7,949,303	0.66%	443
2016	6,191,640	0	0	54,575	0	0	6,246,215	0.50%	349
2017	4,912,740	0	0	115,058	0	0	5,027,798	0.40%	282
2018	4,778,467	0	89,490	89,490	31,966,829	0	36,834,786	2.75%	2,071
2019	32,631,894	0	0	62,643	0	0	32,694,537	N/A	N/A

Shrewsbury Township:

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Debt Authorized but not Issued	Capital Leases	Capital Leases	Capital Leases			
2010	266,041	0	0	128,435	0	0	394,476	0.61%	346
2011	291,620	0	0	85,480	0	0	377,100	0.57%	330
2012	249,560	0	0	45,808	0	0	295,368	0.43%	263
2013	236,813	0	0	136,439	0	0	373,252	0.53%	332
2014	194,060	0	0	109,151	0	0	303,211	0.41%	271
2015	160,560	0	0	81,863	0	0	242,423	0.36%	238
2016	126,360	0	0	54,575	0	0	180,935	0.26%	178
2017	100,260	0	0	115,058	0	0	215,318	0.30%	213
2018	225,467	0	532,171	89,490	532,171	0	847,128	1.11%	839
2019	531,106	0	0	1,278	0	0	532,384	N/A	N/A

N/A= Not Available

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

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

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

Borough of Tinton Falls:

Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	11,990,060	-	11,990,060	0.40%	\$ 610
2010	10,816,959	-	10,816,959	0.36%	\$ 547
2011	14,289,380	-	14,289,380	0.50%	\$ 792
2012	12,228,440	-	12,228,440	0.44%	\$ 677
2013	10,881,186	-	10,881,186	0.39%	\$ 603
2014	9,508,940	-	9,508,940	0.35%	\$ 528
2015	7,867,440	-	7,867,440	0.27%	\$ 438
2016	6,191,640	-	6,191,640	0.21%	\$ 346
2017	4,912,740	-	4,912,740	0.16%	\$ 275
2018	4,778,467	-	4,778,467	0.15%	\$ 269
2019	32,631,894	-	32,631,894	N/A	N/A

Shrewsbury Township:

Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	302,940	-	302,940	0.42%	\$ 284
2010	266,041	-	266,041	0.37%	\$ 250
2011	291,620	-	291,620	0.40%	\$ 284
2012	249,560	-	249,560	0.44%	\$ 244
2013	236,813	-	236,813	0.42%	\$ 232
2014	194,060	-	194,060	0.34%	\$ 190
2015	160,560	-	160,560	0.32%	\$ 158
2016	126,360	-	126,360	0.24%	\$ 125
2017	100,260	-	100,260	0.18%	\$ 99
2018	225,467	-	225,467	0.39%	\$ 223
2019	531,106	-	531,106	N/A	N/A

N/A= Not Available

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

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

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

Tinton Falls School District
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2018

Exhibit J-12

<u>Borough of Tinton Falls</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Tinton Falls Borough (Net Debt)	\$ 17,739,000	100.000%	\$ 17,739,000
Monmouth County General Obligation Debt (Net Debt)	485,117,930	2.661%	12,908,003
Monmouth Regional High School	3,479,000	58.834%	2,046,826
Tinton Falls School District Direct Debt Outstanding	33,163,000	98.398%	32,631,894
Total direct and overlapping debt			\$ 65,325,724
<u>Township of Shrewsbury</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Shrewsbury (Net Debt)	\$ 754,495	100.000%	\$ 754,495
Monmouth County General Obligation Debt	485,117,930	0.043%	210,086
Monmouth Regional High School	3,479,000	0.960%	128,120
Shrewsbury Township School District Direct Debt Outstanding	33,163,000	1.602%	531,106
Total direct and overlapping debt			\$ 1,623,807

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 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 97,548,534	\$ 97,336,153	\$ 97,336,153	\$ 92,776,495	\$ 90,915,352	\$ 90,765,367	\$ 93,461,670	\$ 93,838,473	\$ 95,768,287	\$ 98,566,344
Total net debt applicable to limit	11,278,000	14,786,000	12,478,000	13,108,000	10,513,000	9,703,000	8,028,000	6,318,000	37,512,000	33,638,000
Legal debt margin	86,270,534	82,550,153	84,858,153	79,668,495	80,402,352	81,062,367	85,433,670	87,520,473	58,256,287	64,928,344
Total net debt applicable to the limit as a percentage of debt limit	11.56%	15.19%	12.82%	14.13%	11.56%	10.69%	8.59%	6.73%	39.17%	34.13%

	Total Equalized Valuation	Borough of Tinton Falls	Township of Shrewsbury
Equalized valuation basis			
2018	3,437,087,647	3,384,404,126	52,683,521
2017	3,240,292,841	3,187,608,996	52,683,845
2016	3,179,253,947	3,104,736,168	52,545,755
[A]	\$ 9,856,634,435	\$ 9,676,749,290	\$ 157,813,121
[A3]	\$ 3,285,544,812	\$ 3,225,583,097	\$ 52,637,707
[B]	98,566,344	a	
[C]	33,638,000		
[B-C]	\$ 64,928,344		

Debt limit (3% of average equalization value)
 Net school debt bonded and authorized but not issued
 Legal debt margin

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:

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	19,668	\$ 1,194,476,976	60,732	4.8%
2009	19,772	\$ 1,140,172,152	57,666	7.9%
2010	18,034	\$ 1,041,283,160	57,740	8.1%
2011	18,063	\$ 1,098,031,707	60,789	8.1%
2012	18,037	\$ 1,136,781,925	63,025	8.5%
2013	18,016	\$ 1,147,745,312	63,707	8.6%
2014	17,946	\$ 1,196,675,172	66,682	5.9%
2015	17,877	\$ 1,248,511,803	69,839	4.9%
2016	17,836	\$ 1,270,583,132	71,237	4.3%
2017	17,789	\$ 1,341,201,655	75,395	3.9%
2018	17,563	N/A	N/A	3.5%

Shrewsbury Township:

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	1,068	\$ 64,861,776	60,732	8.4%
2009	1,065	\$ 61,414,290	57,666	13.5%
2010	1,028	\$ 59,356,720	57,740	13.7%
2011	1,023	\$ 62,187,147	60,789	13.8%
2012	1,022	\$ 64,411,550	63,025	14.3%
2013	1,021	\$ 65,044,847	63,707	8.0%
2014	1,018	\$ 67,882,276	66,682	6.6%
2015	1,014	\$ 70,816,746	69,839	5.3%
2016	1,012	\$ 72,091,844	71,237	4.8%
2017	1,010	\$ 76,148,950	75,395	4.8%
2018	1,000	N/A	N/A	4.4%

N/A= Not Available

a Annual Estimates of the Resident Population for Municipalities in New Jersey

b Population times per capita income

c Bureau of Economic Analysis March 2017

d New Jersey Department of Labor and Workforce Development

Tinton Falls School District
Principal Employers,

Exhibit J-15b

Unaudited

SHREWSBURY TOWNSHIP

Employer	2018			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

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
2010	1,585	23,093,165	\$ 14,569.82	0.73%	150	95.8	54.2	1,582.30	1,511.20	0.98%	95.51%
2011	1,580	24,946,240	\$ 15,788.76	8.37%	145	85	59	1,580.00	1,537.32	1.00%	97.30%
2012	1,565	23,965,719	\$ 15,313.56	-3.01%	149	98	51	1,554.10	1,487.30	0.98%	95.70%
2013	1,531	25,340,467	\$ 16,551.58	8.08%	154	98	56	1,521.40	1,449.60	0.98%	95.28%
2014	1,542	25,226,565	\$ 16,359.64	-1.16%	143	93	50	1,519.54	1,448.64	1.00%	95.33%
2015	1,524	27,717,806	\$ 18,187.54	11.17%	133	82	51	1,495.85	1,431.05	0.98%	95.67%
2016	1,529	27,398,778	\$ 17,919.41	-1.47%	160	104	56	1,503.20	1,437.42	1.00%	95.62%
2017	1,559	28,671,595	\$ 18,391.02	2.63%	154	109	51	1,535.12	1,467.81	1.02%	95.62%
2018	1,522	31,084,017	\$ 20,423.14	11.05%	167	112	55	1,520.13	1,445.85	0.99%	95.11%
2019	1,422	31,875,282	\$ 22,415.81	9.76%	164	110	54	1,433.35	1,361.97	0.94%	95.02%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Building										
Elementary										
Mahala F. Atchinson (Year)										
Square Feet	86,950	86,950	86,950	86,950	86,950	86,950	86,950	87,249	87,249	87,249
Capacity (students)										
Enrollment										
Swimming River (Year)										
Square Feet	67,692	67,692	67,692	67,692	67,692	67,692	67,692	68,636	68,636	68,636
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	105,094	105,094	105,094
Capacity (students)										
Enrollment										
Other										
Central Administration (Year)										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	8,000	8,000	8,000
Number of Schools at June 30, 2019										
Elementary										
Middle School										
Other	258,897	258,897	258,897	258,897	258,897	258,897	258,897	268,979	268,979	268,979

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Mahala F. Atchinson	N/A	147,121	139,189	122,065	148,783	172,020	124,865	114,631	132,929	105,152	82,462
Swimming River School	N/A	144,202	134,961	149,597	115,899	110,480	99,147	100,017	93,569	96,051	84,359
Tinton Falls Middle School	N/A	168,578	144,460	216,307	126,027	127,215	127,723	134,828	108,725	100,696	107,060
Administration Building	N/A	29,056	31,222	25,639	35,303	15,566	9,939	9,097	10,052	17,270	35,454
Total School Facilities		488,957	449,832	513,608	426,012	425,281	361,674	358,573	345,275	319,169	309,335

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

Insurance Schedule
June 30, 2019
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	49,415,680	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:		
Employee Dishonest, Forgery and Alteration	100,000	500
Theft, Disappearance, Destruction	25,000	500
Computers and Schedule Equipment -		
Data Processing-Hardware	1,500,000	500
Data Processing-Media/Data	100,000	500
Computer Fraud	100,000	
Boiler and Machinery - Property Damage	Incl. In Property	1,000
Umbrella Liability - Umbrella Policy	10,000,000	10,000
School Board Legal Liability	Cov. A \$1M/3M Cov. B \$50K/\$150K Each loss	7,500
Business Income & Extra expense	300,000	0
Public Employee Faithful Performance	100,000	0
Business Administrator Bond	250,000	0
Student Accident	1,000,000	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

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K-1
Page 1 of 2

**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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2019.

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.

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

November 21, 2019

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K-2
Page 1 of 3

**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, 2019. 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, 2019.

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

November 21, 2019

BOROUGH OF TINTON FALLS SCHOOL DISTRICT													K-3			
Schedule of Expenditures of Federal Awards													SCHEDULE A			
for the Fiscal Year Ended June 30, 2019																
Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal EAIN Number	Grant or State Project Number	Program or Award Amount	From	To	Balance at June 30, 2018	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	(Accounts Receivable)	Deferred Revenue	Balance at June 30, 2019	MEMO Cumulative Total Expenditures
U.S. Department of Education																
General Fund:																
Impact Aid	84.041	N/A	N/A	77,530	7/1/18	6/30/19			77,530	(77,530)						77,530
Medical Assistance Program (SEMI)	95.778	196N15MAP	N/A	31,086	7/1/18	6/30/19			31,086	(31,086)						31,086
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I	84.010	S010A180030	NCLB518519	127,776	7/1/18	6/30/19			87,746	(127,722)			(39,976)			127,722
Title I	84.010	S010A170030	NCLB518518	130,994	7/1/17	6/30/18	(37,489)		37,489							128,717
Title II, Part A	84.367A	S367A170029	NCLB518519	37,956	7/1/18	6/30/19			2,600	(30,900)			(28,300)			30,900
Title II, Part A	84.367A	S367A170029	NCLB518518	33,956	7/1/18	6/30/18	(3,711)		3,711							25,992
Title III Immigrant	84.365	S365A180030	NCLB518518	2,418	7/1/18	6/30/19			1							1,841
Title III Immigrant	84.365	S365A170030	NCLB518517	1,841	7/1/17	6/30/18	(1)									3,787
Title III Immigrant	84.365	S365A170030	NCLB518516	1,841	7/1/17	6/30/18	(3,787)		704	(7,367)			(6,663)			7,367
Title IV, Part A	84.424	S424A170031	NCLB518519	14,355	7/1/18	6/30/19										14,498
Sub-total							(44,988)		132,251	(165,989)			(78,726)			326,326
U.S. Department of Agriculture																
Passed-through State Department of Education																
Special Revenue Fund:																
ID.E.A. Part B, Basic Regular	84.027	H027A180100	DEA518519	478,182	7/1/18	6/30/19			193,274	(367,057)			(173,783)			367,057
ID.E.A. Part B, Basic Regular	84.027	H027A170100	DEA518518	460,811	7/1/17	6/30/18	(42,289)		42,289							458,390
ID.E.A. Part B, Basic Regular	84.027	H027A160100	DEA518517	400,302	7/1/16	6/30/17	(323)		323							585,547
ID.E.A. Part B, Preschool	84.173	H173A180114	DEA518519	20,270	7/1/18	6/30/19			7,775	(10,189)			(2,414)			10,189
ID.E.A. Part B, Preschool	84.173	H173A170114	DEA518518	14,760	7/1/17	6/30/18	(1,282)		1,282							28,704
Sub-total							(43,894)		244,943	(377,246)			(176,197)			1,449,887
Total Special Revenue Fund							(88,882)		377,194	(543,235)			(254,923)			1,776,213
U.S. Department of Agriculture																
Passed-through State Department of Education																
Child Nutrition Cluster:																
Non-Cash Assistance:																
Food Distribution Program	10.555	191N1304N1099	N/A	38,986	7/1/18	6/30/19			38,986	(38,986)						38,986
Cash Assistance:																
National School Lunch Program	10.555	181N1304N1099	N/A	177,723	7/1/18	6/30/19			171,388	(127,723)			(6,335)			177,723
National School Lunch Program	10.555	181N1204N1099	N/A	22,714	7/1/17	6/30/18	(8,772)		8,772							22,714
School Breakfast Program	10.553	181N1304N1099	N/A	17,863	7/1/18	6/30/19			2,992	(2,714)			(1,752)			17,863
School Breakfast Program	10.553	181N1204N1099	N/A	1,887	7/1/17	6/30/18	(1,387)		1,387							1,887
Total Enterprise Fund							(10,199)		191,495	(189,423)			(8,087)			335,402
Total Federal Financial Awards							(99,041)		677,305	(841,274)			(263,010)			2,220,231

BOROUGH OF TINTON FALLS SCHOOL DISTRICT													K-4		
Schedule of Expenditures of State Financial Assistance													SCHEDULE B		
for the Fiscal Year Ended June 30, 2019															
State Grant Program Title	Grant or State Project Number	Program or Award Amount	Grand Period From To	Balance at June 30, 2018		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Adjusted Canceled	(Accounts Receivable)	Balance at June 30, 2019	MEMO		
				Deferred (Accts. Receivable)	Received								Due to Grantor	Receivable	Expenditures
State Department of Education															
General Fund:															
Transportation Aid	19-495-034-5120-014	982,013	7/1/2018	6/30/2019			883,818	(982,013)							982,013
Transportation Congregational Aid	19-495-034-5120-044	1,294,091	7/1/2018	6/30/2019			1,170,250	(1,294,091)							1,294,091
Security Aid	19-495-034-5120-084	196,566	7/1/2018	6/30/2019			177,564	(196,566)							196,566
Adjustment Aid	19-495-034-5120-085	1,294,091	7/1/2018	6/30/2019			1,170,250	(1,294,091)							1,294,091
Extracurricular Aid	19-100-034-5120-044	695,321	7/1/2018	6/30/2019			514,710	(695,321)							695,321
Extracurricular Support	18-100-034-5120-014	11,309	7/1/2017	6/30/2018			11,309								11,309
Non Public Transportation	18-495-034-5120-014	12,977	7/1/2016	6/30/2017			12,977	(12,977)							12,977
Head District Support Aid	19-495-034-5120-102	40,140	7/1/2018	6/30/2019			40,140								40,140
Head District Support Aid	18-495-034-5120-102	11,309	7/1/2017	6/30/2018			11,309								11,309
On-Behalf TPAF Pension and Annuity Fund - Non-contributor's Insurance	19-495-034-5094-001	955,325	7/1/2018	6/30/2019			955,325	(955,325)							955,325
On-Behalf TPAF Pension and Annuity Fund - Post Retirement, Medical and L.T. Disability	19-495-034-5094-002	2,057,363	7/1/2018	6/30/2019			2,057,363	(2,057,363)							2,057,363
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	931,104	7/1/2018	6/30/2019			919,242	(931,104)							931,104
Total General Fund							7,633,206	(8,130,968)							340,378
Special Revenue Fund:															
Distance Learning Network Aid	04-495-034-5120-051	83,466	7/1/2004	6/30/2014					(13)						
Technology Aid	18-100-034-5120-064	18,210	7/1/2018	6/30/2019			18,210	(18,210)							18,210
Technology Aid	18-100-034-5120-064	20,150	7/1/2017	6/30/2018			1,822		(1,822)						18,327
Technology Aid	19-100-034-5120-071	12,276	7/1/2018	6/30/2019			12,276	(12,276)							12,276
Technology Aid	18-100-034-5120-071	1,616	7/1/2017	6/30/2018			30		(30)						1,587
Security Aid	19-100-034-5120-089	96,750	7/1/2018	6/30/2019			96,750	(96,750)							96,750
Security Aid	18-100-034-5120-089	51,225	7/1/2017	6/30/2018			92		(92)						51,133
Handicapped Services	18-100-034-5120-066	15,324	7/1/2018	6/30/2019			15,324								15,324
Handicapped Services	18-100-034-5120-066	31,120	7/1/2017	6/30/2018			31,120	(32,311)							29,211
Examination & Classification	18-100-034-5120-066	7,296	7/1/2017	6/30/2018			365		(365)						7,296
Examination & Classification	19-100-034-5120-066	18,481	7/1/2018	6/30/2019			18,481	(18,481)							18,481
Curriculum Speech	18-100-034-5120-066	16,785	7/1/2017	6/30/2018			763		(763)						16,022
Curriculum Speech	18-100-034-5120-070	10,829	7/1/2018	6/30/2019			10,829	(10,829)							10,829
E.S.L.	19-100-034-5120-070	2,589	7/1/2018	6/30/2019			2,589	(2,589)							2,589
E.S.L.	19-100-034-5120-070	33,077	7/1/2018	6/30/2019			33,077	(33,077)							33,077
Nursing Services	19-100-034-5120-070	3,449	7/1/2018	6/30/2019			3,449								3,449
Nursing Services	18-100-034-5120-070	3,449	7/1/2017	6/30/2018			217		(217)						3,232
Charter Education Aid	05-495-034-5120-053	4,655	7/1/2005	6/30/2006			4,655								4,655
Charter Education Aid	05-495-034-5120-053	4,856	7/1/2004	6/30/2005			4,856								4,856
Teacher Quality Mentoring	04-495-034-5120-053	1,892	7/1/2007	6/30/2008			2,002								1,892
Governor's Teachers Excellence Award															
Total Special Revenue Fund							3,348	(235,922)	(3,348)						406,692
State Department of Agriculture															
State School Lunch Program	19-100-010-3350-021	4,814	7/1/2018	6/30/2019			4,814	(4,814)							4,814
State School Lunch Program	18-100-010-3350-021	4,925	7/1/2017	6/30/2018			545		(545)						4,380
Total Enterprise Fund							4,924	(4,814)							5,292
New Jersey Development Economic Authority															
Capital Projects Fund:															
School Facilities Project	51-85-030-10-001	1,401,200	7/1/2011	6/30/2012			1,392,228								1,401,200
School Facilities Project	51-85-030-10-001	1,401,200	7/1/2011	6/30/2012			1,392,228								1,401,200
School Facilities Project	51-85-030-10-005	569,880	7/1/2011	6/30/2012			569,880								569,880
School Facilities Project	51-85-030-10-003	728,000	7/1/2011	6/30/2012			728,000								728,000
School Facilities Project	51-85-030-15-1000	80,000	7/1/2014	6/30/2015			80,000								80,000
School Facilities Project	51-85-030-15-1000	80,000	7/1/2014	6/30/2015			80,000								80,000
School Facilities Project	51-85-030-15-1000	80,000	7/1/2014	6/30/2015			80,000								80,000
Total State Financial Assistance							8,690,667	(8,315,714)	(3,348)	(120,554)	(767,400)	10,638	3,734	340,378	16,693,833
Less: On-Behalf TPAF Pension and Annuity Aid															
On-Behalf TPAF Pension and Annuity Fund - Non-contributor's Insurance							15,566	(15,566)							15,566
On-Behalf TPAF Pension and Annuity Fund - Post Retirement, Medical and L.T. Disability							905,666	(905,666)							905,666
On-Behalf TPAF Pension							2,057,363	(2,057,363)							2,057,363
Total for State Financial Assistance Determination							3,053,904	(3,053,904)							3,053,904
Total for State Financial Assistance Determination							5,634,863	(5,315,710)	(3,348)	(120,554)	(767,400)	10,638	3,734	340,378	19,747,737

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 1(D) and 1(E) 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 \$5,018 for the general fund, \$-0- for the special revenue fund, and \$(165,306) 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	\$108,616	\$8,135,986	\$8,244,602
Special Revenue Fund	543,235	235,932	779,167
Food Service Fund	<u>189,423</u>	<u>4,814</u>	<u>194,237</u>
Total Financial Awards	<u>\$841,274</u>	<u>\$8,376,732</u>	<u>\$9,218,006</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, 2019. 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, 2019.

NOTE 6. 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.

NOTE 7. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$127,722
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	30,900
Title IV: <i>Student Support and Academic Enrichment (ESSA)</i>	<u>7,367</u>
Total	<u>\$165,989</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>H027A180100/ H173A180114</u>	<u>I.D.E.A. Cluster: 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? X yes _____ no

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
19-495-034-5120-089	(A) Special Education Categorial Aid
19-495-034-5120-084	(A) Security Aid
19-495-034-5120-085	(A) Adjustment Aid

Note: (A) - Tested as major program.

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Section II - Financial Statement Findings

None

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, 2019**

Status of Prior Year Findings

All prior year findings have been corrected.