

**SCHOOL DISTRICT OF THE
BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

**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..	74
C-1a	Not Applicable	
C-1b	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund..	85
Notes to the Required Supplementary Information		
C-3	Budgetary Comparison Schedule.	86

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..	87
L-2	Schedule of District Contributions – PERS.	88
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF..	89
L-4	Notes to Required Schedules of Supplementary Information - Part III.	90

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

M-1	Schedule of Districts Proportionate Share of the State OPEB Liability..	91
M-2	Notes Required Schedules of Supplementary Information OPEB Liability	92

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	93
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	94
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	95
E-2	Not Applicable	

F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis.	96
F-1b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Mahala F. Atchinson Project)..	97

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).	98
F-1d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Swimming River Elementary School).	99
F-1e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Tinton Falls Middle School).	100
F-1f	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Improvements to Administration Building).	101
F-1g	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Security Upgrades to Mahala F. Atchison Elementary School).	102
F-1h	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Security Upgrades to Swimming River Elementary School).	103
F-1i	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Security Upgrades to Tinton Falls Middle School).	104
F-1j	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Renovations, Alterations and Improvements to Mahala F. Atchinson School).	105
F-1k	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Renovations, Alterations and Improvements to Swimming River School).	106
F-1l	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis (Renovations, Alterations and Improvements to Tinton Falls Middle School).	107

G.

Enterprise Fund:

G-1	Combining Statement of Net Position.	108
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position.	109
G-3	Combining Statement of Cash Flows.	110

OUTLINE OF CAFR

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position.	111
H-2	Not Applicable.	112
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements.	113
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements.	114

I. Long-Term Debt:

I-1	Statement of Serial Bonds.	115
I-2	Statement of Obligations under Capital Leases.	117
I-3	Budgetary Comparison Schedule - Debt Service Fund.	118

J. Statistical Section (Unaudited)

Financial Trends

Introduction to the Statistical Section

J-1	Net Position by Component.	119
J-2	Changes in Net Position.	120
J-3	Fund Balances - Governmental Funds.	122
J-4	Governmental Fund Expenditures by Function.	123
J-5	General Fund Other Local Revenue by Source.	124

Revenue Capacity

J-6a	Assessed Value and Actual Value of Taxable Property.	125
J-6b	Assessed Value and Actual Value of Taxable Property.	126
J-7	Direct and Overlapping Property Tax Rates.	127
J-8a	Principal Property Taxpayers.	128
J-8b	Principal Property Taxpayers.	129
J-9a	Property Tax Levies and Collections, Last Ten Fiscal Years.	130
J-9b	Property Tax Levies and Collections, Last Nine Fiscal Years.	131

Debt Capacity

J-10	Ratios of Outstanding Debt by Type.	132
J-11	Ratios of Net General Bonded Debt Outstanding.	133
J-12	Direct and Overlapping Governmental Activities Debt.	134
J-13	Legal Debt Margin Information.	135

OUTLINE OF CAFR

Demographic and Economic Information

J-14	Demographic and Economic Statistics.	136
J-15a	Principal Employers (Unaudited - Tinton Falls Borough).	137
J-15b	Principal Employers (Unaudited - Shrewsbury Township).	138

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program.	139
J-17	Operating Statistics.	140
J-18	School Building Information.	141
J-19	Schedule of Required Maintenance Expenditures by School Facilities.	142
J-20	Insurance Schedule.	143

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.	144
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.	146
K-3	Schedule of Expenditures of Federal Awards - Schedule A.	149
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B.	150
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.	151
K-6	Schedule of Findings and Questioned Costs.	154
K-7	Schedule of Financial, Federal and State Findings.	156
K-8	Summary Schedule of Prior Audit Findings.	157

INTRODUCTORY SECTION

THE TINTON FALLS SCHOOL DISTRICT

ADMINISTRATIVE OFFICES
658 TINTON AVENUE
TINTON FALLS, NJ 07724
(732) 460-2400
FAX (732) 542-1158
<http://tfschools.org>

Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vincent J. Daniels
Business Administrator/Board Secretary

December 28, 2020

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, 2020. 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, Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" (Uniform Guidance), and the State Treasury Circular Letter 04-04 OMB and/or 15-08 OMB< "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this

THE TINTON FALLS SCHOOL DISTRICT
ADMINISTRATIVE OFFICES
658 TINTON AVENUE
TINTON FALLS, NJ 07724
(732) 460-2400
FAX (732) 542-1158
<http://tfschools.org>

Lisa Goldey
 Superintendent of Schools

Kerri Walsifer
 Director of Special Services

Vincent J. Daniels
 Business Administrator/Board Secretary

single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1. Reporting Entity and its Services: 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 2019-2020 fiscal year with an enrollment of 1,426 which is fourteen (-14) 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>
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%
2019-2020	1,426	-0.97%

THE TINTON FALLS SCHOOL DISTRICT

ADMINISTRATIVE OFFICES
658 TINTON AVENUE
TINTON FALLS, NJ 07724
(732) 460-2400
FAX (732) 542-1158
<http://tfschools.org>

Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vincent J. Daniels
Business Administrator/Board Secretary

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 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 2019-2020 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

THE TINTON FALLS SCHOOL DISTRICT

ADMINISTRATIVE OFFICES
658 TINTON AVENUE
TINTON FALLS, NJ 07724
(732) 460-2400
FAX (732) 542-1158
<http://tfschools.org>

Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vincent J. Daniels
Business Administrator/Board Secretary

- 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
- 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.

THE TINTON FALLS SCHOOL DISTRICT
ADMINISTRATIVE OFFICES
658 TINTON AVENUE
TINTON FALLS, NJ 07724
(732) 460-2400
FAX (732) 542-1158
<http://tfschools.org>

Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vincent J. Daniels
Business Administrator/Board Secretary

5. Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted by the Board of Education for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved by the Board of Education for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

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 Wielkotz & Company, LLC, 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 Uniform Guidance and State Treasury Circular Letter 04-04 OMB. The auditor's

THE TINTON FALLS SCHOOL DISTRICT
ADMINISTRATIVE OFFICES
658 TINTON AVENUE
TINTON FALLS, NJ 07724
(732) 460-2400
FAX (732) 542-1158
<http://tfschools.org>

Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vincent J. Daniels
Business Administrator/Board Secretary

report on the general-purpose financial statements and combining the individual fund statement and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

Lisa Goldey

Mrs. Lisa Goldey
Superintendent of Schools

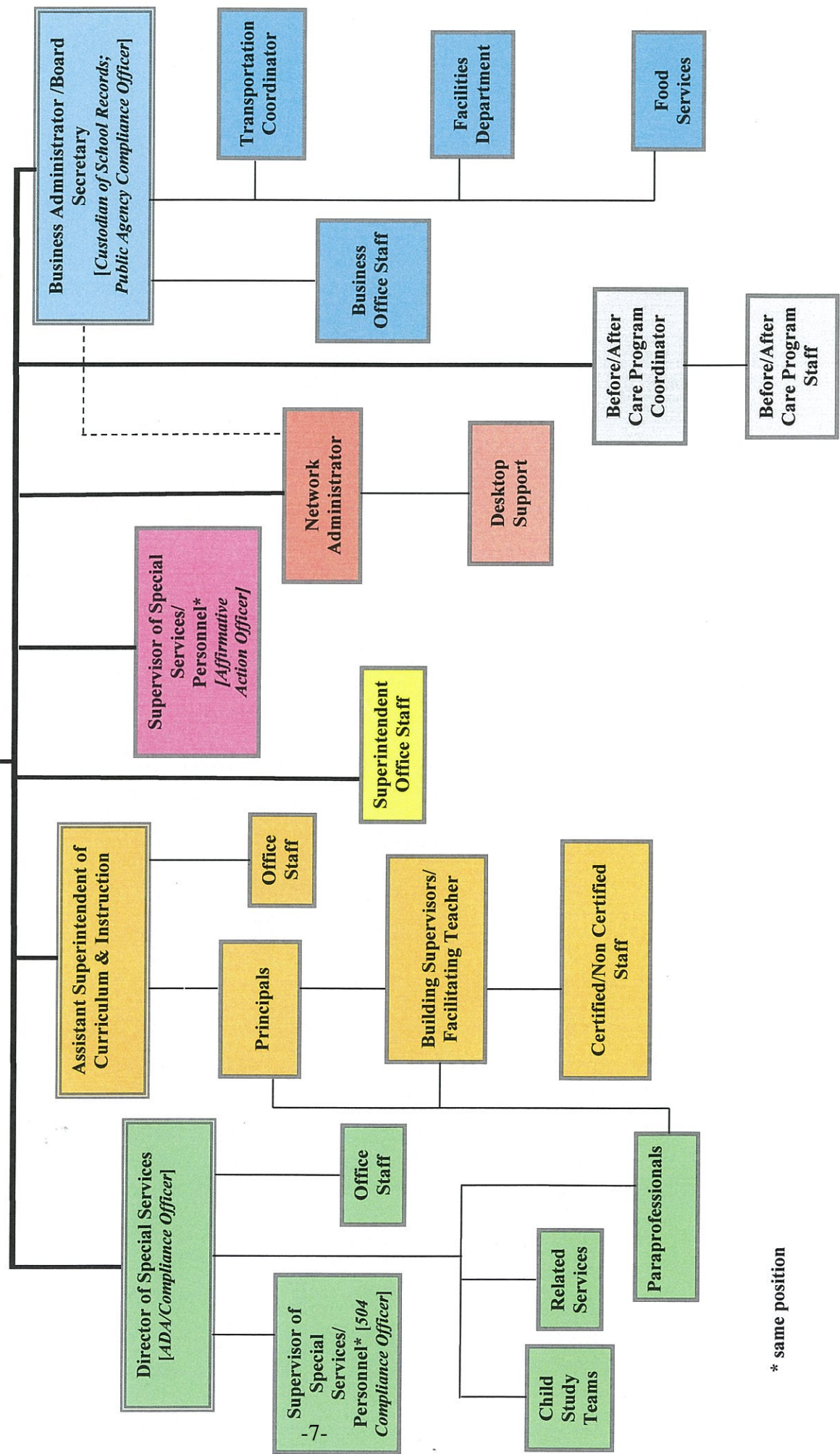
Vincent J. Daniels

Mr. Vincent J. Daniels
Business Administrator/Board Secretary

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

Board of Education

Superintendent of Schools



* same position

THE TINTON FALLS SCHOOL DISTRICT

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

Lisa Goldey
Superintendent of Schools

Kerri Walsifer
Director of Special Services

Vin Daniels
Business Administrator/Board Secretary

ROSTER OF OFFICIALS as of June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Fred Lomangino, President	2021
Ryan Hager, Vice President	2021
John Livingood	2022
Nicole Jennings	2020
Jason Puleio	2020
Gerard Ryan	2020
Teena Patel	2022
Christopher Theobald	2022
Natalie Watson	2021

Other Officials:

Lisa Goldey, Superintendent of Schools

Vin Daniels, Business Administrator/Board Secretary

TINTON FALLS BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Wielkotz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Michael Laffey, Esq.
222 Highway 35
Red Bank, NJ 07701

Official Depository

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

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkatz, CPA, RMA, PSA
Matthew B. Wielkatz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
Suite 301
Rockaway, New Jersey 07866
(973)-835-7900

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2020, 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.



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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tinton Falls Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020 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

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

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

Wielkotz + Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 28, 2020

**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, 2020**

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, 2020. 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 decreased \$525,372. Net position of governmental activities decreased by \$492,821 and net position of business-type activity decreased by \$32,551.
- General revenues accounted for \$35,976,020 in revenue or 95.10 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,853,222 or 4.90 percent of total revenues of \$37,829,242.
- The School District had \$38,322,063 in expenses related to governmental activities; only \$1,853,222 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$35,976,020 were not 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, 2020**

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, 2020**

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, 2020**

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 \$28,850,808 at June 30, 2020 and \$29,376,180 at June 30, 2019. 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 2020 compared to 2019 (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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	25,109,035	35,791,420	1,591,054	1,596,974	26,700,089	37,388,394
Capital Assets	<u>44,085,716</u>	<u>39,765,260</u>	<u>6,894</u>	<u>2,088</u>	<u>44,092,610</u>	<u>39,767,348</u>
Total Assets	<u>69,194,751</u>	<u>75,556,680</u>	<u>1,597,948</u>	<u>1,599,062</u>	<u>70,792,699</u>	<u>77,155,742</u>
Deferred Outflow of						
Resources	<u>957,791</u>	<u>1,282,428</u>	<u> </u>	<u> </u>	<u>957,791</u>	<u>1,282,428</u>
Liabilities						
Current Liabilities	2,746,204	8,192,121	58,941	27,504	2,805,145	8,219,625
Noncurrent Liabilities	<u>37,972,742</u>	<u>38,654,906</u>	<u> </u>	<u> </u>	<u>37,972,742</u>	<u>38,654,906</u>
Total Liabilities	<u>40,718,946</u>	<u>46,847,027</u>	<u>58,941</u>	<u>27,504</u>	<u>40,777,887</u>	<u>46,874,531</u>
Deferred Inflow of						
Resources	<u>2,121,795</u>	<u>2,187,459</u>	<u> </u>	<u> </u>	<u>2,121,795</u>	<u>2,187,459</u>
Net Position						
Invested in Capital Assets	11,374,363	6,538,339	6,894	2,088	11,381,257	6,540,427
Restricted	22,595,523	28,519,417			22,595,523	28,519,417
Unrestricted	<u>(6,658,085)</u>	<u>(7,253,134)</u>	<u>1,532,113</u>	<u>1,569,470</u>	<u>(5,125,972)</u>	<u>(5,683,664)</u>
Total Net Position	<u>27,311,801</u>	<u>27,804,622</u>	<u>1,539,007</u>	<u>1,571,558</u>	<u>28,850,808</u>	<u>29,376,180</u>

This year, the District was able to report a balance of \$(5,125,972) in its unrestricted net position, which is an increase from the previous years' balance of \$(5,683,664). This increase 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, 2020**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2020 compared to 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			429,435	523,133	429,435	523,133
Operating Grants and						
Contributions	1,853,222	1,821,865	140,610	195,228	1,993,832	2,017,093
General Revenues:						
Taxes:						
Property taxes	25,693,058	23,703,998			25,693,058	23,703,998
Federal and State Aid						
Not Restricted	9,489,558	9,820,907			9,489,558	9,820,907
Tuition Received	281,844	301,679			281,844	301,679
Miscellaneous Income	<u>511,560</u>	<u>4,180,302</u>	_____	_____	<u>511,560</u>	<u>4,180,302</u>
Total Revenues and Transfers	<u>37,829,242</u>	<u>39,828,751</u>	<u>570,045</u>	<u>718,361</u>	<u>38,399,287</u>	<u>40,547,112</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Functions/Program						
Instruction:						
Regular	8,048,625	7,889,102			8,048,625	7,889,102
Special Education	3,486,333	3,433,923			3,486,333	3,433,923
Other Special Instruction	484,780	428,176			484,780	428,176
Other Instruction	131,411	137,863			131,411	137,863
Support Services:						
Tuition	307,704	418,977			307,704	418,977
Student & Instruction						
Related Services	4,026,625	4,319,177			4,026,625	4,319,177
School Administrative						
Services	976,250	982,104			976,250	982,104
General Administrative						
Services	460,685	461,912			460,685	461,912
Central Services and						
Admin.Technology	469,952	476,862			469,952	476,862
Plant Operations and						
Maintenance	2,082,704	1,951,250			2,082,704	1,951,250
Pupil Transportation	1,946,026	2,056,320			1,946,026	2,056,320
Unallocated Benefits	11,206,511	11,927,582			11,206,511	11,927,582
Capital Outlay - Non-						
Depreciable	17,762	17,763			17,762	17,763
Transfer of Funds to Charter						
Schools					0	0
Unallocated Depreciation	3,149,867	1,562,376			3,149,867	1,562,376
Interest on Long Term Debt	1,526,828	1,458,253			1,526,828	1,458,253
Cancellation of Federal						
Grants Receivable					0	0
Food Service			369,353	493,031	369,353	493,031
Time+			191,600	199,674	191,600	199,674
Kindergarten Enrichment			<u>41,643</u>	<u>34,486</u>	<u>41,643</u>	<u>34,486</u>
Total Expenses and Transfers	<u>38,322,063</u>	<u>37,521,640</u>	<u>602,596</u>	<u>727,191</u>	<u>38,924,659</u>	<u>38,248,831</u>
Increase or (Decrease) in						
Net Position	<u>(492,821)</u>	<u>2,307,111</u>	<u>(32,551)</u>	<u>(8,830)</u>	<u>(525,372)</u>	<u>2,298,281</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 \$38,924,659. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$25,693,058 because some of the cost was paid by those who benefitted from the programs \$429,435 by other governments and organizations who subsidized certain programs with grants and contributions \$11,483,390, tuition income \$281,844 and by miscellaneous sources \$511,560.

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 \$32,551.
- ✓ Charges for services provided totaled \$429,435. 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 \$140,610.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2020, 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 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$26,486,462	72.98%	\$1,749,531	7.07%
State Sources	9,138,045	25.18%	766,127	9.15%
Federal Sources	<u>669,772</u>	<u>1.85%</u>	<u>(61,482)</u>	<u>(8.41)%</u>
Total	<u>\$36,294,279</u>	<u>100.00%</u>	<u>\$2,454,176</u>	7.25%

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	\$12,103,372	28.69%	\$248,456	2.09%
Undistributed	19,863,973	47.08%	(156,393)	(0.78)%
Capital Outlay	7,547,039	17.89%	(9,241,967)	(55.05)%
Debt Service	<u>2,674,790</u>	<u>6.34%</u>	<u>2,015,462</u>	305.68%
Total	<u>\$42,189,174</u>	<u>100.00%</u>	<u>(\$7,134,442)</u>	(14.46)%

Changes in expenditures were the result of varying factors. Current expense undistributed decreased due to significant decrease in State On-Behalf payment for pension and medical benefits cost increases combined with decreases in operations and maintenance and pupil transportation 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, 2020, 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 \$338,529 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, 2020**

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

General Fund

The general fund actual revenue was \$32,743,751. That amount is \$5,305,574 above the final amended budget of \$27,438,177. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,161,402 for TPAF social security reimbursements and on-behalf pension and medical retirement payments, an excess in other state and federal aids of \$556,452, and a \$587,720 excess in local anticipated revenues.

The actual expenditures of the general fund were \$31,269,512. This is \$199,417 above the final amended budget of \$31,070,095. 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 \$4,161,402, and a favorable variance of \$3,961,985 in unexpended budgeted funds.

The general fund had total revenues of \$32,743,751 and total expenditures of \$31,269,512, and transfers \$-0- from the capital project fund with an ending fund balance of \$15,740,707.

Special Revenue Fund

The special revenue fund actual revenue was \$871,209. That amount is below the original budget estimate of \$894,029. The \$338,529 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 \$871,209, which is below the original budget of \$894,029. The \$338,529 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, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the School District had \$71,815,308 invested in land, buildings and building improvements, machinery and equipment, and construction in progress. Of this amount, \$27,729,592 in depreciation has been taken over the years. We currently have a net book value of \$44,085,716. Total depreciable additions for the year were \$21,202,890, the majority of which was for various technology and office equipment and building improvements and deductions of \$21,047,276, which was transfers from construction in progress to capital assets being depreciated. Table 3 shows fiscal year 2020 balances compared to 2019.

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

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	239,620	239,620			239,620	239,620
Buildings and Site Improvements	43,165,182	25,205,230			43,165,182	25,205,230
Furniture, Equipment and Vehicles	680,914	646,797	6,894	2,088	687,808	648,885
Construction in Progress		<u>13,673,613</u>			<u>0</u>	<u>13,673,613</u>
	<u>44,085,716</u>	<u>39,765,260</u>	<u>6,894</u>	<u>2,088</u>	<u>44,092,610</u>	<u>39,767,348</u>

Debt Administration

At June 30, 2020, the district had \$37,972,742 of outstanding debt. Of this amount, \$419,914 is for compensated absences; \$38,353 is for various capital leases; \$32,673,000 of serial bonds issued for the financing of various school construction projects; and \$4,841,475 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 2020-2021 fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

The following factors were considered in preparing the 2020-2021 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, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	16,068,485	1,581,723	17,650,208
Receivables, net	1,259,310	9,331	1,268,641
Inventory		-	-
Restricted assets:			
Cash and cash equivalents	7,781,240		7,781,240
Capital assets:			
Land	239,620		239,620
Depreciable Capital Assets-(Net)	43,846,096	6,894	43,852,990
Total Assets	<u>69,194,751</u>	<u>1,597,948</u>	<u>70,792,699</u>
Deferred outflows of resources-Related to PERS Pension	<u>957,791</u>		<u>957,791</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,558,070	43,980	2,602,050
Payable to the State Government	48,617		48,617
Deferred revenue	139,517	14,961	154,478
Noncurrent liabilities:			
Due within one year	1,020,568		1,020,568
Due beyond one year	36,952,174		36,952,174
Total liabilities	<u>40,718,946</u>	<u>58,941</u>	<u>40,777,887</u>
Deferred inflows of resources-Related to PERS Pension	<u>2,121,795</u>		<u>2,121,795</u>
NET POSITION			
Invested in capital assets	11,374,363	6,894	11,381,257
Restricted for:			
Debt service	1		1
Capital projects	13,657,714		13,657,714
Other Purposes	8,937,808		8,937,808
Unrestricted (Deficit)	<u>(6,658,085)</u>	<u>1,532,113</u>	<u>(5,125,972)</u>
Total net position	<u><u>27,311,801</u></u>	<u><u>1,539,007</u></u>	<u><u>28,850,808</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, 2020

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	Total
Governmental activities:								
Instruction:								
Regular	8,000,848	47,777		601,679		(7,446,946)		(7,446,946)
Special education	3,486,333					(3,486,333)		(3,486,333)
Other special instruction	484,780					(484,780)		(484,780)
Other instruction	131,411					(131,411)		(131,411)
Support services:								
Tuition	307,704					(307,704)		(307,704)
Student & instruction related services	4,026,625			269,530		(3,757,095)		(3,757,095)
General administrative services	460,685					(460,685)		(460,685)
School administrative services	976,250					(976,250)		(976,250)
Central Services and Administrative Technology	469,952					(469,952)		(469,952)
Plant operations and maintenance	2,071,528	11,176				(2,082,704)		(2,082,704)
Pupil transportation	1,946,026			982,013		(964,013)		(964,013)
Employee Benefits	11,206,511					(11,206,511)		(11,206,511)
Capital outlay-undepreciable	17,762					(17,762)		(17,762)
Interest on long-term debt	1,526,828					(1,526,828)		(1,526,828)
Unallocated depreciation	3,149,867					(3,149,867)		(3,149,867)
Total governmental activities	38,263,110	58,953	-	1,853,222	-	(36,468,841)	-	(36,468,841)
Business-type activities:								
Food Service	369,353			140,610		(14,275)		(14,275)
Time + Program	191,600					(7,358)		(7,358)
Early Bird Program	41,643					(10,918)		(10,918)
Total business-type activities	602,596			140,610		(32,551)		(32,551)
Total primary government	38,865,706	58,953		1,993,832		(36,468,841)		(36,501,392)
General revenues:								
Property Taxes Levied for:								
General Purposes						23,710,281		23,710,281
Debt Service						1,982,777		1,982,777
Federal and State aid not restricted						9,489,558		9,489,558
Tuition						281,844		281,844
Miscellaneous Income						511,560		511,560
Total general revenues, special items, extraordinary items and transfers						35,976,020		35,976,020
Change in Net Position						(492,821)		(525,372)
Net Position—beginning						27,804,622	1,571,558	29,376,180
Net Position—ending						27,311,801	1,539,007	28,850,808

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, 2020**

	<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	7,070,374	53,633	8,944,477	1	16,068,485
Receivables from Other Governments	760,543	118,114	70,694		949,351
Interfund Accounts Receivable	189,302	4,648			193,950
Tuitions Receivable	107,289				107,289
Other Receivables	231	19,113	183,326		202,670
Restricted Cash and Cash Equivalents	7,781,240				7,781,240
Total Assets	<u>15,908,979</u>	<u>195,508</u>	<u>9,198,497</u>	<u>1</u>	<u>25,302,985</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and Accrued Liabilities Payable	441,192	60,447	1,120,118		1,621,757
Interfund Accounts Payable	4,648		189,302		193,950
Payable to the State Government		48,617			48,617
Deferred Revenue	53,073	86,444			139,517
Total Liabilities	<u>498,913</u>	<u>195,508</u>	<u>1,309,420</u>		<u>2,003,841</u>
Fund Balances:					
Restricted for:					
Excess Surplus -- current year	2,906,623				2,906,623
Excess Surplus - prior year -designated for subsequent year's expenditures	3,028,102				3,028,102
Emergency Reserve	250,000				250,000
Maintenance Reserve	1,496,245				1,496,245
Impact Aid	266,358				266,358
Capital Reserve	5,768,637				5,768,637
Assigned to:					
Other purposes	990,480		3,823,153		4,813,633
Debt Service				1	1
Designated by the BOE for subsequent year's expenditures					
Capital Projects			4,065,924		4,065,924
Unassigned:					
General Fund	703,621				703,621
Total Fund Balances	<u>15,410,066</u>		<u>7,889,077</u>	<u>1</u>	<u>23,299,144</u>
Total Liabilities and Fund Balances	<u>15,908,979</u>	<u>195,508</u>	<u>9,198,497</u>	<u>1</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 \$71,815,308 and the accumulated depreciation is \$27,729,592.	44,085,716
Deferred outflow of resources related to PERS pension liability	957,791
Interest on Long-term debt accrued	(669,725)
Deferred inflow of resources related to PERS pension liability	(2,121,795)
Accounts payable for PERS payment subsequent to the measurement date.	(266,588)
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>(37,972,742)</u>
Net position of governmental activities	<u>27,311,801</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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	23,710,281			1,982,777	25,693,058
Tuition	281,844				281,844
Miscellaneous	306,574	15,684	189,302		511,560
Total - Local Sources	24,298,699	15,684	189,302	1,982,777	26,486,462
State Sources	8,228,752	222,488		686,805	9,138,045
Federal Sources	36,735	633,037			669,772
Total Revenues	32,564,186	871,209	189,302	2,669,582	36,294,279
EXPENDITURES					
Current:					
Regular Instruction	7,399,169	601,679			8,000,848
Special Education Instruction	3,486,333				3,486,333
Other Special Instruction	484,780				484,780
Other Instruction	131,411				131,411
Support Services and Undistributed Costs:					
Tuition	307,704				307,704
Student & Instruction Related Services	3,757,095	269,530			4,026,625
General Administrative Services	486,253				486,253
School Administrative Services	976,250				976,250
Central Services and Administrative Technology	469,952				469,952
Plant Operations and Maintenance	2,071,528				2,071,528
Pupil Transportation	1,946,026				1,946,026
Employee Benefits	9,579,635				9,579,635
Debt Service:					
Principal				490,000	490,000
Interest and Other Charges				2,184,790	2,184,790
Capital Outlay	173,376		7,373,663		7,547,039
Transfer to Charter Schools	-	-			-
Total Expenditures	31,269,512	871,209	7,373,663	2,674,790	42,189,174
Excess (Deficiency) of Revenues					
Over Expenditures	1,294,674	-	(7,184,361)	(5,208)	(5,894,895)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-				-
Bond Premium					-
Cancellation of Federal Grant Receivable					-
Transfers in	189,302		-		189,302
Transfers out	-		(189,302)		(189,302)
Total other financing sources and uses	189,302	-	(189,302)	-	-
Net Change in Fund Balances	1,483,976	-	(7,373,663)	(5,208)	(5,894,895)
Fund Balance—July 1	13,926,090	-	15,262,740	5,209	29,194,039
Fund Balance—June 30	15,410,066	-	7,889,077	1	23,299,144

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, 2020**

Total net change in fund balances - governmental funds (from B-2)	(5,894,895)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
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.	
Depreciation expense	(3,208,820)
Depreciable Capital outlays	7,529,277
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:	
Principal Payments on Bonds	490,000
Principal Payments on Capital Leases	25,568
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.	
Bond Proceeds	
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.	
District Pension Contributions	261,361
Less: Pension Expense	<u>(178,731)</u>
Decrease in Pension Expense	82,630
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	
Increase in On-behalf State Aid TPAF Pension	1,382,885
Increase in On-behalf TPAF Pension Expense	(1,382,885)
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	
Increase in On-behalf State Aid TPAF Medical	152,078
Increase in On-behalf TPAF Medical Expense	(152,078)
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 (+).	
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:	
(Increase)/Decrease in compensated absences payable	(174,543)
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.	
Accrued interest - current year	(669,725)
Accrued interest - prior year	1,327,687
Change in net assets of governmental activities	<u><u>(492,821)</u></u>

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

**Tinton Falls School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2020**

	Food Service Program	Time + Program	Early Birds Program	Kindergarten Enrichment Program	Totals
ASSETS					
Current Assets:					
Cash and Cash Equivalents	146,352	847,275		588,096	1,581,723
Accounts Receivable:					
State	1,230				1,230
Federal	4,101				4,101
Other	4,000				4,000
Total Current Assets	<u>155,683</u>	<u>847,275</u>	<u>-</u>	<u>588,096</u>	<u>1,591,054</u>
Noncurrent Assets:					
Capital Assets:					
Equipment	37,816				37,816
Less Accumulated Depreciation	(30,922)				(30,922)
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,894</u>
Total Assets	<u><u>162,577</u></u>	<u><u>847,275</u></u>	<u><u>-</u></u>	<u><u>588,096</u></u>	<u><u>1,597,948</u></u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	13,467	30,513			43,980
Deferred Revenue	14,961				14,961
Total Current Liabilities	<u>28,428</u>	<u>30,513</u>	<u>-</u>	<u>-</u>	<u>58,941</u>
Total Liabilities	<u>28,428</u>	<u>30,513</u>	<u>-</u>	<u>-</u>	<u>58,941</u>
NET POSITION					
Invested in Capital Assets Net of Related Debt	6,894				6,894
Unrestricted	127,255	816,762	-	588,096	1,532,113
Total Net Position	<u><u>134,149</u></u>	<u><u>816,762</u></u>	<u><u>-</u></u>	<u><u>588,096</u></u>	<u><u>1,539,007</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, 2020

	<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	132,592				132,592
Daily Sales - Non-Reimbursable Programs	81,876				81,876
Miscellaneous		184,242	30,725		214,967
Total Operating Revenues	<u>214,468</u>	<u>184,242</u>	<u>30,725</u>	<u>-</u>	<u>429,435</u>
Operating Expenses:					
Cost of Food - Reimbursable	68,643				68,643
Cost of Food - Non-Reimbursable	92,559				92,559
Cost of Sales - Other	23,211				23,211
Labor	165,475	102,800	16,668		284,943
Supplies and Materials	341	3,953			4,294
Employee Benefits	9,928	8,322	1,350		19,600
Miscellaneous Expense	7,502	76,525	23,625		107,652
Depreciation	1,694				1,694
Total Operating Expenses	<u>369,353</u>	<u>191,600</u>	<u>41,643</u>	<u>-</u>	<u>602,596</u>
Operating Income (Loss)	(154,885)	(7,358)	(10,918)	-	(173,161)
Non-operating Revenues (Expenses):					
State Sources:					
State School Lunch Program	4,649				4,649
Federal Sources:					
National School Lunch Program	91,354				91,354
National School Breakfast Program	21,507				21,507
Food Distribution Program	22,203				22,203
Interest and Investment Revenue	897				897
Total Non-operating Revenues (Expenses)	<u>140,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,610</u>
Income (Loss) Before Contributions & Transfers	(14,275)	(7,358)	(10,918)	-	(32,551)
Transfers In (Out)		(10,918)	10,918		-
Change in Net Position	(14,275)	(18,276)	-	-	(32,551)
Total Net Position - Beginning	<u>148,424</u>	<u>835,038</u>	<u>-</u>	<u>588,096</u>	<u>1,571,558</u>
Total Net Position—Ending	<u>134,149</u>	<u>816,762</u>	<u>-</u>	<u>588,096</u>	<u>1,539,007</u>

**Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2020**

	<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	214,368	184,242	30,725		429,335
Interfund Receipts					-
Payments to employees	(165,475)	(111,122)	(18,018)		(294,615)
Payments to vendors	(202,313)	(52,100)	(23,625)		(278,038)
Other operating receipts			10,918		10,918
Other operating payments		(10,918)			(10,918)
Net Cash Provided by (Used for) Operating Activities	<u>(153,420)</u>	<u>10,102</u>	<u>-</u>	<u>-</u>	<u>(143,318)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	3,654				3,654
Federal Sources	139,050				139,050
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>142,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,704</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of Capital Assets	(6,500)				(6,500)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(6,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	897				897
Net Cash Provided by (Used for) Investing Activities	<u>897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>897</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,319)	10,102	-	-	(6,217)
Balances—Beginning of Year	162,671	837,173	-	588,096	1,587,940
Balances—End of Year	<u>146,352</u>	<u>847,275</u>	<u>-</u>	<u>588,096</u>	<u>1,581,723</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	(154,885)	(7,358)	(10,918)	-	(173,161)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:					
Depreciation	1,694				1,694
(Increase) Decrease in Transfers		(10,918)	10,918		-
(Increase) Decrease in Accounts Receivable	(4,000)				(4,000)
Increase (Decrease) in Deferred Revenue	3,900				3,900
(Increase) Decrease in Inventory	712				712
Increase (Decrease) in Accounts Payable	(841)	28,378			27,537
Total Adjustments	<u>1,465</u>	<u>17,460</u>	<u>10,918</u>	<u>-</u>	<u>29,843</u>
Net Cash Provided by (Used for) Operating Activities	<u>(153,420)</u>	<u>10,102</u>	<u>-</u>	<u>-</u>	<u>(143,318)</u>

**Tinton Falls School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	Agency Fund
ASSETS	
Cash and Cash Equivalents	48,845
Accounts Receivable	200
Total Assets	49,045
 LIABILITIES	
Payable to student groups	47,952
Payroll deductions and withholdings	862
Total Liabilities	48,814
 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, 2020**

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, 2020**

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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, 2020**

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, 2020**

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, 2020**

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 2019/2020, 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, 2020**

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, 2020**

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, 2020, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	<u>\$-0-</u>
-------------------	--------------

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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, 2020 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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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 2020, the District did not adopt any new GASB Statements.

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

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

Y. New Accounting Standards: (continued)

relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. This Statement was effective for reporting periods beginning after December 15, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

Y. New Accounting Standards: (continued)

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, Omnibus. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, Replacement of Interbank Offering Rates. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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, 2020, \$-0- of the District's bank balance of \$26,983,106 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

As of June 30, 2020, the Board had no outstanding investments.

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

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

As of June 30, 2020, the District had \$12,100,104 on deposit with the New Jersey Cash Management Fund.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 3. RECEIVABLES:

Receivables at June 30, 2020, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$841,586	\$1,230	\$842,816
Federal Aid	107,765	4,101	111,866
Tuition	107,289		107,289
Interfunds	193,950		
Other	<u>202,670</u>	<u>4,000</u>	<u>206,670</u>
Gross receivables	1,453,260	9,331	1,268,641
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,453,260</u>	<u>\$9,331</u>	<u>\$1,268,641</u>

NOTE 4. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance 6/30/19	Additions	Deductions	Balance 6/30/20
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$239,620	\$	\$	\$239,620
Construction in Progress	<u>13,673,613</u>	<u>7,373,663</u>	<u>(21,047,276)</u>	<u>0</u>
Total Capital Assets, Not Being Depreciated	<u>13,913,233</u>	<u>7,373,663</u>	<u>(21,047,276)</u>	<u>239,620</u>
Capital Assets Being Depreciated				
Sites and Improvements	2,130,461			2,130,461
Buildings and Improvements	45,752,121	21,047,276		66,799,397
Furniture, Equipment and Vehicles	<u>2,490,216</u>	<u>155,614</u>		<u>2,645,830</u>
Total Capital Assets, Being Depreciated	<u>50,372,798</u>	<u>21,202,890</u>		<u>71,575,688</u>
Less Accumulated Depreciation:				
Sites and Improvements	(1,773,687)	(30,947)		(1,804,634)
Buildings and Improvements	(20,903,665)	(3,056,377)		(23,960,042)
Furniture, Equipment and Vehicles	<u>(1,843,419)</u>	<u>(121,497)</u>		<u>(1,964,916)</u>
Total Accumulated Depreciation	<u>(24,520,771)</u>	<u>(3,208,821)</u>		<u>(27,729,592)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,852,027</u>	<u>17,994,069</u>		<u>43,846,096</u>
Governmental Activities Capital Assets, Net	<u>\$39,765,260</u>	<u>\$25,367,732</u>	<u>(\$21,047,276)</u>	<u>\$44,085,716</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 4. CAPITAL ASSETS: (continued)

	<u>Balance</u> <u>6/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/20</u>
Business-Type Activity				
Machinery and Equipment	\$31,316	\$6,500	\$ _____	\$37,816
Totals	<u>31,316</u>	<u>6,500</u>	<u>_____</u>	<u>37,816</u>
Less Accumulated Depreciation				
Machinery and Equipment	(29,228)	(1,694)	_____	(30,922)
Total Accumulated Depreciation	<u>(29,228)</u>	<u>(1,694)</u>	<u>_____</u>	<u>(30,922)</u>
Business-Type Activity Capital Assets, Net	<u>\$2,088</u>	<u>\$4,806</u>	<u>\$ _____</u>	<u>\$6,894</u>

Depreciation expense was charged to the functions as follows:

Instruction - Regular	\$47,777
Plant Operations and Maintenance	11,176
Unallocated Depreciation	<u>3,149,868</u>
Total Depreciation Expense	<u>\$3,208,821</u>

NOTE 5. LONG-TERM DEBT OBLIGATIONS:

For the fiscal year ended June 30, 2020 the following liabilities are reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences payable	\$245,371	\$300,110	\$125,567	\$419,914	\$ _____
Bonds payable	33,163,000		490,000	32,673,000	995,000
Capital leases payable	63,921		25,568	38,353	25,568
Net (PERS) pension obligation	<u>5,182,614</u>	<u>_____</u>	<u>341,139</u>	<u>4,841,475</u>	<u>_____</u>
	<u>\$38,654,906</u>	<u>\$300,110</u>	<u>\$982,274</u>	<u>\$37,972,742</u>	<u>\$1,020,568</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,990,000	39,800	2,029,800
Total	<u>\$32,673,000</u>	<u>\$15,138,573</u>	<u>\$47,811,573</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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.

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, 2020.

<u>Year</u>	
2021	\$25,568
2022	<u>12,785</u>
	<u>\$38,353</u>

C. Bonds Authorized but not Issued

As of June 30, 2020, the District had \$-0- of bonds authorized but not issued.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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.

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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

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 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

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

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.

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> 6/30/20	\$261,361	\$27,860
6/30/19	261,816	25,505
6/30/18	258,450	24,394

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

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

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>	Long-Term Disability <u>Insurance</u>
6/30/20	\$2,361,371	\$891,727	\$42,325	\$2,488
6/30/19	2,057,363	952,751	43,066	2,624
6/30/18	1,425,195	942,841	34,586	2,516

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 \$863,491 during the year ended June 30, 2020 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, 2020, the District had a liability of \$4,841,475 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was .026869491 percent, which was an increase of .00054778 percent from its proportion measured as of June 30, 2018.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

For the year ended June 30, 2020, the District recognized pension expense of \$178,731. At June 30, 2020, 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	\$483,439	\$1,680,461
Difference in actual and expected experience	86,898	21,387
Net difference between projected and actual earnings on pension plan investments		76,425
Changes in proportion and differences between District contributions and proportionate share of contributions	120,866	343,522
District contributions subsequent to the measurement date	<u>266,588</u>	<u> </u>
Total	<u>\$957,791</u>	<u>\$2,121,795</u>

The \$266,588 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2020	\$(139,800)
2021	(453,508)
2022	(404,956)
2023	(190,148)
2024	(19,524)

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District s Proportion	.026869491%	.02632171%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 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, 2019</u>		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's proportionate share of the pension liability	\$6,158,113	\$4,841,475	\$3,794,081

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).

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

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, 2020 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>64,198,191</u>
	<u>\$64,198,191</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. 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, 2019, the proportion of the TPAF net pension liability associated with the District was .1046068169%.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$3,786,581 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 contributed 70% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. POST-RETIREMENT BENEFITS: (continued)

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 2019, the State contributed \$1.908 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have remained consistent with Fiscal Year 2018 amounts. The Fiscal Year 2020 Appropriations Act includes \$1.612 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 payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share	
associated with the District	<u>43,428,179</u>
	<u>\$43,428,179</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2019 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:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. POST-RETIREMENT BENEFITS: (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,043,805 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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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	

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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$4,952,533
Deposits:	
Transfer by Board Resolution, June 22, 2020	900,887
Interest earned on capital reserve funds	54,979
Withdrawals	<u>(139,762)</u>
Ending Balance, June 30, 2020	<u>\$5,768,637</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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	<u>\$250,000</u>
Ending Balance, June 30, 2020	<u>\$250,000</u>

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$1,516,460
Increased by:	
Interest on Investments	24,085
Transfer by Board Resolution, June 22, 2020	155,700
Decreased by:	
Withdrawals	<u>(200,000)</u>
Ending Balance, June 30, 2020	<u>\$1,496,245</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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$248,406
Increased by:	
Transfer by Board Resolution, June 22, 2020	<u>17,952</u>
Ending Balance, June 30, 2020	<u>\$266,358</u>

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$15,410,066 General Fund fund balance at June 30, 2020, \$990,480 is reserved for encumbrances; \$5,934,725 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$3,028,102 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$5,768,637 has been reserved in the Capital Reserve Account; \$1,496,245 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, 2021; \$266,358 has been reserved for Impact Aid; and \$703,621 is unreserved and undesignated.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 14. FUND BALANCE APPROPRIATED: (continued)

Debt Service Fund - Of the \$1 Debt Service Fund fund balance at June 30, 2020, \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2021 and \$1 is restricted for debt service.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2020 is \$5,934,725. Of this amount, \$2,906,623 is the result of current year’s operations.

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES:

The composition of interfund balances as of June 30, 2020 is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$189,302
Special Revenue Fund	General Fund	\$4,648

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.

**Borough of Tinton Falls School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 18. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through December 28, 2020, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Tinton Falls. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

On December 21, 2010, the Board adopted a Refunding Bond Ordinance to currently refund its outstanding 2011 School Bonds. The refunding will produce a debt service savings over the life of the Refunding Bonds.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	23,710,281		23,710,281	23,710,281		
Tuition	50,000		50,000	281,844	231,844	
Miscellaneous	140,000		140,000	495,876	355,876	
Total - Local Sources	23,900,281		23,900,281	24,488,001	587,720	
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	1,173,919		1,173,919	1,173,919		
Extraordinary Aid	175,000		175,000	655,636	480,636	
Other State Aid-Non Public Transportation	-		-	11,464	11,464	
Other State Aid-Homeless Tuition Reimbursement	-		-	51,143	51,143	
On-behalf TPAF NCGI Premium (non-budgeted)	-		-	42,325	42,325	
On-behalf TPAF Post-Retirement Medical (non-budgeted)	-		-	891,727	891,727	
On-behalf Long-Term Disability Insurance	-		-	2,488	2,488	
On-behalf TPAF Premium	-		-	2,361,371	2,361,371	
TPAF Social Security (Reimbursed - Non-Budgeted)	-		-	863,491	863,491	
Total - State Sources	3,514,370		3,514,370	8,219,015	4,704,645	
Federal sources:						
Impact Aid				17,952	17,952	
Medical Assistance Program (SEMI)	23,526		23,526	18,783	(4,743)	
Total - Federal Sources	23,526		23,526	36,735	13,209	
TOTAL REVENUES	27,438,177		27,438,177	32,743,751	5,305,574	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	590,329		590,329	502,389	87,940	
Grades 1-5 - Salaries of Teachers	3,601,893	50,000	3,651,893	3,649,906	1,987	
Grades 6-8 - Salaries of Teachers	2,601,083	(50,000)	2,551,083	2,508,499	42,584	
Regular Programs - Home Instruction:						
Salaries of Teachers	22,000		22,000	1,000	21,000	
Purchased Professional-Educational Services	5,000		5,000	985	4,015	
Other Purchased Services (400-500 series)	500		500		500	
Regular Programs - Undistributed Instruction						
Purchased Technical Services	10,400	1,850	12,250	7,596	4,654	
Other Purchased Services	180,227	39,739	219,966	212,900	7,066	
General Supplies	491,661	27,625	519,286	428,310	90,976	
Textbooks	96,510	(7,215)	89,295	86,291	3,004	
Other Objects	6,355		6,355	1,293	5,062	
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,605,958	61,999	7,667,957	7,399,169	268,788	
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	136,151	(40,000)	96,151	60,457	35,694	
Other Salaries for Instruction	10,000		10,000	6,437	3,563	
General Supplies	800		800	710	90	
Total Learning and/or Language Disabilities	146,951	(40,000)	106,951	67,604	39,347	
Auditory Impairments:						
General Supplies	3,000	(3,000)				
Total Auditory Impairments	3,000	(3,000)				
Behavioral Disabilities:						
Salaries of Teachers	160,351	52,000	212,351	212,098	253	
Other Salaries for Instruction	77,178	7,743	84,921	84,920	1	
General Supplies	4,500		4,500	2,276	2,224	
Total Behavioral Disabilities	242,029	59,743	301,772	299,294	2,478	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
Multiple Disabilities:						
Salaries of Teachers	465,403	(29,306)	436,097	421,751	14,346	
Other Salaries for Instruction	124,039	40,265	164,304	163,407	897	
General Supplies	12,112	(2,607)	9,505	6,665	2,840	
Total Multiple Disabilities	601,554	8,352	609,906	591,823	18,083	
Resource Room/Resource Center:						
Salaries of Teachers	2,084,724	(40,000)	2,044,724	1,810,740	233,984	
Other Salaries for Instruction	22,500		22,500	16,123	6,377	
General Supplies	15,500	4,001	19,501	18,070	1,431	
Total Resource Room/Resource Center	2,122,724	(35,999)	2,086,725	1,844,933	241,792	
Autism:						
Salaries of Teachers	192,939		192,939	70,695	122,244	
Other Salaries for Instruction	124,539	(55,000)	69,539	64,030	5,509	
General Supplies	4,500	(1,000)	3,500	734	2,766	
Total Autism	321,978	(56,000)	265,978	135,459	130,519	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
SPECIAL EDUCATION - INSTRUCTION (Continued)						
Preschool Disabilities - Part-Time:						
Salaries of Teachers	109,426	400	109,826	103,067	6,759	
Other Salaries for Instruction	60,500	21,000	81,500	81,493	7	
General Supplies	4,300		4,300	2,176	2,124	
Total Preschool Disabilities - Part-Time	174,226	21,400	195,626	186,736	8,890	
Preschool Disabilities - Full-Time:						
Salaries of Teachers	232,564	(39,400)	193,164	179,660	13,504	
Other Salaries for Instruction	142,117	14,000	156,117	155,685	432	
General Supplies						
Total Preschool Disabilities - Full-Time	374,681	(25,400)	349,281	335,345	13,936	
Special Education - Home Instruction						
Salaries of Teachers	40,000		40,000	19,158	20,842	
Purchased Professional-Educational Services	3,700	9,075	12,775	5,981	6,794	
Other Purchased Services (400-500) Series						
Total Home Instruction	43,700	9,075	52,775	25,139	27,636	
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,030,843	(61,829)	3,969,014	3,486,333	482,681	
Basic Skills/Remedial - Instruction						
Salaries of Teachers	392,398	29,000	421,398	420,527	871	
General Supplies	8,100	(2,700)	5,400	2,994	2,406	
Total Basic Skills/Remedial - Instruction	400,498	26,300	426,798	423,521	3,277	
Bilingual Education - Instruction						
Salaries of Teachers	68,656	5,000	73,656	59,869	13,787	
General Supplies	1,540		1,540	1,390	150	
Total Bilingual Education - Instruction	70,196	5,000	75,196	61,259	13,937	
School-Sponsored Cocurricular Activities - Instruction						
Salaries	77,700		77,700	69,070	8,630	
Supplies and Materials	6,875	322	7,197	4,582	2,615	
Total School-Sponsored Cocurricular Activities - Instruction	84,575	322	84,897	73,652	11,245	
School-Sponsored Athletic Activities - Instruction						
Salaries	47,500		47,500	46,774	726	
Purchased Services (300-500 series)	13,000	(401)	12,599	5,497	7,102	
Supplies and Materials	10,035		10,035	5,488	4,547	
Total School-Sponsored Athletic Activities - Instruction	70,535	(401)	70,134	57,759	12,375	
TOTAL INSTRUCTION	12,262,605	31,391	12,293,996	11,501,693	792,303	

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2020									
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual				
Undistributed Expenditures - Instruction:									
Tuition to State- Regular	46,000	(6,000)	40,000	2,167	37,833				
Tuition to Other LEAs Within the State-Special		6,000	6,000	3,443	2,557				
Tuition to Private Schools for the Handicapped - Within State	506,830	64,987	571,817	302,094	269,723				
Total Undistributed Expenditures - Instruction:	552,830	64,987	617,817	307,704	310,113				
Undist. Expend. - Health Services									
Salaries	269,402		269,402	260,523	8,879				
Purchased Professional and Technical Services	344,410	114,350	458,760	154,193	304,567				
Other Purchased Services (400-500 series)	20,000	9,025	29,025	19,345	9,680				
Supplies and Materials	7,495	2,881	10,376	8,501	1,875				
Total Undistributed Expenditures - Health Services	641,307	126,256	767,563	442,562	325,001				
Undist. Expend. - Other Supp. Serv. Students - Related Serv.									
Salaries	430,265		430,265	370,804	59,461				
Purchased Professional - Educational Services	143,000	19,924	162,924	71,019	91,905				
Supplies and Materials	6,880	(1,500)	5,380	1,551	3,829				
Other Objects									
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	580,145	18,424	598,569	443,374	155,195				
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.									
Salaries	1,491,975	(65,352)	1,426,623	1,040,972	385,651				
Purchased Professional - Educational Services	6,000	625	6,625	2,760	3,865				
Supplies and Materials	250	165	415		415				
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	1,498,225	(64,562)	1,433,663	1,043,732	389,931				
Undist. Expend. - Guidance									
Salaries of Other Professional Staff	234,789	10,000	244,789	241,989	2,800				
Salaries of Secretarial and Clerical Assistants	200		200	200					
Purchased Professional - Educational Services	4,950		4,950	904	4,046				
Other Purchased Services (400-500 series)	1,000	650	1,650	1,650					
Supplies and Materials	1,424	(59)	1,365	672	693				
Total Undist. Expend. - Guidance	242,363	10,591	252,954	245,215	7,739				
Undist. Expend. - Child Study Teams									
Salaries of Other Professional Staff	504,048	88,000	592,048	591,573	475				
Other Salaries	40,000	3,000	43,000	42,794	206				
Purchased Professional - Educational Services	120,600	7,217	127,817	54,569	73,248				
Other Purchased Services (400-500 series)	16,300	(875)	15,425	12,904	2,521				
Supplies and Materials	12,900	8,808	21,708	15,299	6,409				
Other Objects	2,500	484	2,984	1,904	1,080				
Total Undist. Expend. - Child Study Team	696,348	106,634	802,982	719,043	83,939				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2020									
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual				
Undist. Expend. - Improvement of Instructional Services									
Salaries of Supervisor of Instruction	239,545	1,000	240,545	239,598	947				
Salaries of Other Professional Staff	50,589		50,589	50,589					
Salaries of Secretarial and Clerical Assistants	148,170	21,000	169,170	168,884	286				
Other Salaries	84,538	8,000	92,538	92,301	237				
Salaries of Facilitators, Math and Literacy Coaches									
Purchased Prof- Educational Services									
Other Purchased Prof. and Tech. Services									
Other Purch Services (400-500)	13,000		13,000	12,276	724				
Supplies and Materials	3,550	(52)	3,498	2,869	629				
Other Objects	775		775	269	506				
Total Undist. Expend. - Improvement of Inst. Services	540,167	29,948	570,115	566,786	3,329				
Undist. Expend. - Educational Media Serv./Sch. Library									
Salaries	213,251	(22,000)	191,251	170,772	20,479				
Purchased Professional and Technical Services	4,900	21	4,921	4,420	501				
Other Purchased Services (400-500 series)	800		800	800					
Supplies and Materials	7,000	(21)	6,979	5,374	1,605				
Total Undist. Expend. - Educational Media Serv./Sch. Library	225,951	(22,000)	203,951	180,566	23,385				
Undist. Expend. - Instructional Staff Training Serv.									
Salaries of Other Professional Staff	77,648	(1,850)	75,798	75,513	285				
Other Salaries	10,000	(1,900)	8,100	1,707	6,393				
Purchased Professional - Educational Services	43,825	(8,000)	35,825	27,422	8,403				
Other Purchased Services (400-500 series)	18,150	(2,793)	15,357	8,383	6,974				
Other Objects	4,635		4,635	2,792	1,843				
Total Undist. Expend. - Instructional Staff Training Serv.	154,258	(14,543)	139,715	115,817	23,898				

Tinton Falls School District									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2020									
	Original Budget	Transfers/Adjustments	Final Budget	19-20 Actual	Variance Final to Actual				
Undist. Expend. - Supp. Serv. - General Administration									
Salaries	222,805	350	223,155	223,152	3				
Legal Services	50,000	15,052	65,052	42,702	22,350				
Audit Fees	35,000	4,610	39,610	24,765	14,845				
Architectural/Engineering Services	10,000	4,500	14,500	29	14,471				
Other Purchased Professional Services	16,000	6,096	22,096	309	21,787				
Purchased Technical Services	61,852	7,820	69,672	58,985	10,687				
Communications/Telephone	84,500	2,375	86,875	37,776	49,099				
BOE Other Purchased Services	6,000	630	6,630	4,413	2,217				
Miscellaneous Purchased Services (400-500) [Other than 530 & 585]	79,540		79,540	60,287	19,253				
General Supplies	10,000		10,000	9,826	174				
BOE Training/Meeting Supplies	1,000	25	1,025	122	903				
Judgments Against the School District	30,000	30,000	60,000		60,000				
Miscellaneous Expenditures	13,500		13,500	12,433	1,067				
BOE Membership Dues/Fees	15,000		15,000	11,454	3,546				
Total Undist. Expend. - Supp. Serv. - General Administration	635,197	71,458	706,655	486,253	220,402				
Undist. Expend. - Support Serv. - School Administration									
Salaries of Principals/Assistant Principals	398,286	(2,410)	395,876	394,540	1,336				
Salaries of Other Professional Staff	188,840	2,410	191,250	191,246	4				
Salaries of Secretarial and Clerical Assistants	405,756		405,756	370,723	35,033				
Other Salaries	9,500		9,500		9,500				
Purchased Professional and Technical Services	4,400		4,400	799	3,601				
Other Purchased Services (400-500 series)	5,175		5,175	446	4,729				
Supplies and Materials	12,000	90	12,090	10,652	1,438				
Other Objects	11,477		11,477	7,844	3,633				
Total Undist. Expend. - Support Serv. - School Administration	1,035,434	90	1,035,524	976,250	59,274				
Undistributed Expenditures Central Services									
Salaries	337,434		337,434	336,371	1,063				
Purchased Technical Service	28,500	(8,399)	20,101	18,240	1,861				
Misc. Purchased Serv. (400-500) O/T 594	3,250	963	4,213	1,717	2,496				
Supplies and Materials	6,000	110	6,110	5,297	813				
Miscellaneous Expenditures	5,300		5,300	4,718	582				
Total Undistributed Expenditures Central Services	380,484	(7,326)	373,158	366,343	6,815				

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
Undistributed Expenditures Admin Info Tech						
Salaries	79,079	(6,000)	73,079	68,088	4,991	
Purchased Technical Services		6,000	6,000	5,960	40	
Supplies and Materials	21,590	10,060	31,650	29,561	2,089	
Other Objects						
Total Undistributed Expenditures Admin Info Tech	100,669	10,060	110,729	103,609	7,120	
Undist. Expend. - Required Maint. for School Facilities						
Salaries						
Cleaning, Repair and Maintenance Services	518,000	(29,354)	488,646	391,262	97,384	
General Supplies	165,000	(29,897)	135,103	61,092	74,011	
Other Objects						
Total Undist. Expend. - Required Maint. for School Facilities	683,000	(59,251)	623,749	452,354	171,395	
Undist. Expend. - Custodial Services						
Salaries	10,000	200	10,200	10,180	20	
Salaries of Non-Instructional Aides	70,000	(200)	69,800	61,160	8,640	
Purchased Professional and Technical Services	15,000	1,867	16,867	12,223	4,644	
Cleaning, Repair and Maintenance Services	811,500	72,584	884,084	864,522	19,562	
Other Purchased Property Services	49,725	80	49,805	42,254	7,551	
Insurance	83,000		83,000	79,942	3,058	
General Supplies	31,000	(6,489)	24,511	10,920	13,591	
Energy (Natural Gas)	192,000	11,095	203,095	124,673	78,422	
Energy (Electricity)	320,000	7,746	327,746	231,233	96,513	
Other Objects	1,000		1,000	182	818	
Total Undist. Expend. - Custodial Services	1,583,225	86,883	1,670,108	1,437,289	232,819	
Undist. Expend. - Care & Upkeep of Grounds						
Purchased Professional and Technical Services	134,000	17,500	151,500	148,662	2,838	
Cleaning, Repair and Maintenance Services	9,000	900	9,900	2,927	6,973	
General Supplies	10,000	(1,500)	8,500	6,245	2,255	
Total Undist. Expend. - Care & Upkeep of Grounds	153,000	16,900	169,900	157,834	12,066	
Undist. Expend. - Security						
Salaries	1,500		1,500	160	1,340	
Purchased Professional and Technical Services	20,000	522	20,522	16,832	3,690	
Repair and Maintenance	5,000		5,000	4,455	545	
General Supplies	10,000		10,000	2,604	7,396	
Total Undist. Expend. - Security	36,500	522	37,022	24,051	12,971	
Total Undist. Expend-Oper & Maint of Plant Services	2,455,725	45,054	2,500,779	2,071,528	429,251	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
Undist. Expend. - Student Transportation Services						
Contracted Services (Between Home & School)-Vendors	970,664	54,607	1,025,271	872,472	152,799	
Contract Services (Other than Between Home & School)-Vendors	72,000	(17,540)	54,460	13,510	40,950	
Contracted Services (Between Home & School)-Joint Agreements	200,000	(31,364)	168,636	107,278	61,358	
Contracted Services (Special Ed. Students)-Vendors	693,000	14,405	707,405	579,476	127,929	
Contracted Services (Special Ed. Students)-ESCs & CTSA's	530,000		530,000	368,369	161,631	
Misc. Purchased Services-Transportation	8,000		8,000	4,921	3,079	
Transportation Supplies	4,000		4,000		4,000	
Total Undist. Expend. - Student Transportation Services	2,477,664	20,108	2,497,772	1,946,026	551,746	
UNALLOCATED BENEFITS						
Social Security Contributions	315,000	14,331	329,331	279,884	49,447	
Other Retirement Contributions-PERS	360,000	806	360,806	298,894	61,912	
Unemployment Compensation	75,000		75,000	57,927	17,073	
Workmen's Compensation	160,000		160,000	142,224	17,776	
Health Benefits	4,815,000	(35,671)	4,779,329	4,481,770	297,559	
Tuition Reimbursement	120,000	10,446	130,446	116,204	14,242	
Other Employee Benefits	68,700		68,700	41,330	27,370	
TOTAL UNALLOCATED BENEFITS	5,913,700	(10,088)	5,903,612	5,418,233	485,379	
ON-BEHALF CONTRIBUTIONS						
On-behalf TPAF NCGI Premium (non-budgeted)				42,325	(42,325)	
On-behalf TPAF Post-Retirement Medical (non-budgeted)				891,727	(891,727)	
On-behalf Long-Term Disability Insurance				2,488	(2,488)	
On-behalf TPAF Premium				2,361,371	(2,361,371)	
Reimbursed TPAF Social Security Contributions (non-budgeted)				863,491	(863,491)	
TOTAL ON-BEHALF CONTRIBUTIONS				4,161,402	(4,161,402)	
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,913,700	(10,088)	5,903,612	9,579,635	(3,676,023)	
TOTAL UNDISTRIBUTED EXPENDITURES	18,130,467	385,091	18,515,558	19,594,443	(1,078,885)	
TOTAL GENERAL CURRENT EXPENSE	30,393,072	416,482	30,809,554	31,096,136	(286,582)	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/ Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
CAPITAL OUTLAY						
Equipment:						
Undist. Expend.-Kindergarten						
Undist. Expend.-Grades 1-5						
Undist. Expend.-Grades 6-8		12,315	12,315	7,421	4,894	
Undist. Expend.-Admin Info Tech.						
Undist. Expend.-Required Maintenance for Schools		9,513	9,513		9,513	
Undist. Expend.-Care and Upkeep of Grounds		3,450	3,450		3,450	
Undist. Expend.-Security		35,265	35,265		35,265	
Undist. Expend.-Custodial Services						
Total Equipment		60,543	60,543	7,421	53,122	
Facilities Acquisition and Construction Services						
Architectural/Engineering Services						
Other Purchased Professional and Technical Services						
Construction Services	122,000	27,080	149,080	148,193	887	
Assessment for Debt Service SDA Funding	17,762		17,762	17,762		
Total Facilities Acquisition and Construction Services	139,762	27,080	166,842	165,955	887	
TOTAL CAPITAL OUTLAY	139,762	87,623	227,385	173,376	54,009	
Transfer of Funds to Charter Schools	33,156		33,156		33,156	
TOTAL EXPENDITURES	30,565,990	504,105	31,070,095	31,269,512	(199,417)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,127,813)	(504,105)	(3,631,918)	1,474,239	5,106,157	

Tinton Falls School District						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2020						
	Original Budget	Transfers/Adjustments	Final Budget	19-20 Actual	Variance Final to Actual	
Other Financing Sources/(Uses):						
Operating Transfer In (Out):						
Capital Leases (non-budgeted)						
Transfer from Capital Project Fund						
Transfer to Capital Project Fund						
Total Other Financing Sources/(Uses):						
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3,127,813)	(504,105)	(3,631,918)	1,474,239	5,106,157	
Fund Balance, July 1	7,138,525	(2,699,306)	4,439,219	14,266,468	9,827,249	
Fund Balance, June 30	4,010,712	(3,203,411)	807,301	15,740,707	14,933,406	
Reconciliation:						
Adjustment for prior years encumbrances						
Transfer to Capital Reserve		(504,105)	(504,105)	(504,105)	955,866	
Transfer to Maintenance Reserve					179,785	
Transfer to Impact Aid Reserve					17,952	
Withdrawal from Capital Reserve Principal	(139,762)		(139,762)	(139,762)		
Withdrawal from Maintenance Reserve Principal	(200,000)		(200,000)	(200,000)		
Withdrawal from Impact Aid Reserve Principal	(36,188)		(36,188)		36,188	
Budgeted Fund Balances	(2,751,863)		(2,751,863)	1,164,503	3,916,366	
Total	(3,127,813)	(504,105)	(3,631,918)	1,474,239	5,106,157	
Recapitulation:						
Restricted Fund Balance:						
Capital Reserve				5,768,637		
Maintenance Reserve				1,496,245		
Emergency Reserve				250,000		
Impact Aid				266,358		
Excess Surplus - Designated for Subsequent Year's Expenditures				3,028,102		
Excess Surplus - Current Year				2,906,623		
Assigned Fund Balance:						
Year-End Encumbrances				990,480		
Unassigned Fund Balance				1,034,262		
Total				15,740,707		
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(330,641)		
Fund Balance per Governmental Funds (GAAP)				15,410,066		

**Tinton Falls School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2020**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	100,000	(9,655)	90,345	15,684	(74,661)
State Sources	214,466	131,491	345,957	222,488	(123,469)
Federal Sources	579,563	216,693	796,256	633,037	(163,219)
Total Revenues	894,029	338,529	1,232,558	871,209	(361,349)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	97,500	(9,149)	88,351	86,841	1,510
Purchased Professional - Educational Services		650	650		650
Purchased Professional and Technical Services	99,954	24,730	124,684	109,486	15,198
Other Purchased Services (400-500 series)	352,000	79,576	431,576	340,638	90,938
General Supplies	38,224	98,740	136,964	41,884	95,080
Textbooks	16,389	(892)	15,497	15,430	67
Other Objects	75,000	(39,267)	35,733	7,400	28,333
Total Instruction	679,067	154,388	833,455	601,679	231,776
Support Services:					
Salaries		2,750	2,750	2,044	706
Personal Services - Employee Benefits	17,498	12,896	30,394	30,394	
Purchased Professional & Technical Services	110,389	138,590	248,979	149,979	99,000
Supplies & Materials	87,075	25,268	112,343	87,113	25,230
Other Objects		500	500		500
Total Support Services	214,962	180,004	394,966	269,530	125,436
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	894,029	338,529	1,232,558	871,209	361,349
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, 2020**

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]	32,743,751	871,209
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.		340,378	
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).		(330,641)	
Transfers from other funds are presented as inflows of budgetary resources but are not revenues for financial reporting purposes. Net transfers (inflows) to general fund		(189,302)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	32,564,186	871,209
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	31,269,512	871,209
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]	31,269,512	871,209

**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***

	2020	2019	2018	2017	2016	2015
Districts proportion of the net pension liability (asset)	0.0268694900%	0.0263217100%	0.0278985200%	0.0289584800%	0.0291305962%	0.0289024950%
District's proportionate share of the net pension liability (asset)	\$4,841,475	\$5,182,614	\$6,494,330	\$8,576,671	\$ 6,539,235	\$ 5,411,338
District's covered payroll - PERS	\$1,817,277	\$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	266.41%	275.21%	342.76%	465.68%	336.24%	273.00%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	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*

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$261,361	\$261,816	\$258,450	\$257,263	\$250,445	\$238,268
Contributions in relation to the contractually required contribution	<u>(\$261,361)</u>	<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>	<u>\$0</u>
District's covered payroll - PERS	\$ 1,817,277	\$ 1,883,160	\$ 1,894,897	\$ 1,841,746	\$ 1,944,818	\$ 1,982,147
Contributions as a percentage of covered payroll	14.38%	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**

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.1046068169%	0.0967777920%	0.0989457150%	0.0101404953%	0.1071318514%	0.1084254465%
District's proportionate share of the net pension liability (asset)	\$ 64,198,191	\$ 61,567,952	\$ 66,712,769	\$ 79,771,592	\$ 67,711,905	\$ 57,949,872
District's covered payroll - TPAF	\$ 12,030,303	\$ 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	533.64%	540.17%	591.06%	744.62%	692.27%	591.18%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	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, 2020

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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. 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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. 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>	<u>2020</u>
Total OPEB Liability			
Service Costs	\$ 2,423,476	\$ 2,008,820	\$ 1,726,803
Interest on Total OPEB Liability	1,751,089	2,032,129	1,861,442
Changes in Assumptions	(7,214,929)	(5,394,992)	647,518
Differences Between Expected and Actual Experience		(5,775,219)	(6,527,119)
Gross Benefit Payments	(1,282,164.00)	(1,257,114.00)	(1,333,116.00)
Contribution from the Member	47,212	43,448	39,517
Net Changes in total Share of OPEB Liability	<u>(4,275,316)</u>	<u>(8,342,928)</u>	<u>(3,584,955)</u>
Total OPEB Liability - Beginning	<u>59,631,378</u>	<u>55,356,062</u>	<u>47,013,134</u>
Total OPEB Liability - Ending	<u>\$ 55,356,062</u>	<u>\$ 47,013,134</u>	<u>\$ 43,428,179</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>	<u>43,428,179</u>
Total OPEB Liability - Ending	<u>\$ 55,356,062</u>	<u>\$ 47,013,134</u>	<u>\$ 43,428,179</u>
District's Covered Employee Payroll	<u>\$ 13,181,608</u>	<u>\$ 13,281,135</u>	<u>\$ 13,847,580</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2020

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, 2020

	Total Brought Forward (Ex. E-1a)	Title I, Part A	Title II, Part A	Title IV	Totals 2020
REVENUES					
Local Sources	15,684				15,684
State Sources	222,488				222,488
Federal Sources	481,239	117,235	27,495	7,068	633,037
Total Revenues	719,411	117,235	27,495	7,068	871,209
EXPENDITURES:					
Instruction:					
Salaries of Teachers		86,841			86,841
Purchased Professional and Technical Services	109,486				109,486
Other Purchased Services (400-500 series)	339,604			1,034	340,638
General Supplies	37,288			4,596	41,884
Textbooks	15,430				15,430
Other Objects	7,400				7,400
Total Instruction	509,208	86,841		5,630	601,679
Support Services:					
Salaries	2,044				2,044
Personal Services - Employee Benefits		30,394			30,394
Purchased Professional & Technical Services	121,046		27,495	1,438	149,979
Supplies & Materials	87,113				87,113
Other Objects					
Total Support Services	210,203	30,394	27,495	1,438	269,530
Facilities Acquisition and Const. Serv.:					
Instructional Equipment					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	719,411	117,235	27,495	7,068	871,209
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, 2020

	Total Brought Forward (Ex. E-1b)	IDEA Part B, Basic	IDEA Preschool	Non-Public ESL	Non-Public Comp. Ed.	Non-Public Security	Total Carried Forward
REVENUES							
Local Sources	15,684						15,684
State Sources	113,442		25,734	1,654	20,279	87,113	222,488
Federal Sources	-	455,505					481,239
Total Revenues	129,126	455,505	25,734	1,654	20,279	87,113	719,411
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-						-
Purchased Professional and Technical Services	87,553			1,654	20,279		109,486
Other Purchased Services (400-500 series)	-	339,604					339,604
General Supplies	10,459	11,003	15,826				37,288
Textbooks	15,430						15,430
Other Objects	7,400						7,400
Total Instruction	120,842	350,607	15,826	1,654	20,279	-	509,208
Support services:							
Salaries	2,044						-
Personal Services - Employee Benefits	-						2,044
Purchased Professional & Technical Services	6,240	104,898	9,908				121,046
Supplies & Materials	-					87,113	87,113
Other Objects	-						-
Total Support Services	8,284	104,898	9,908	-	-	87,113	210,203
Facilities Acquisition and Const. Serv.:							
Instructional Equipment	-						-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-
Total Expenditures	129,126	455,505	25,734	1,654	20,279	87,113	719,411
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, 2020

	Ch. 193 - Handicapped Services							
	Nonpublic Technology Aid	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Annual Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Local Sources	Total Carried Forward
REVENUES								
Local Sources							15,684	15,684
State Sources	10,459	15,430	18,846	31,449	17,425	19,833		113,442
Federal Sources								-
Total Revenues	10,459	15,430	18,846	31,449	17,425	19,833	15,684	129,126
EXPENDITURES:								
Instruction:								
Salaries of Teachers								-
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)			18,846	31,449	17,425	19,833		87,553
General Supplies	10,459	15,430						10,459
Textbooks								15,430
Other Objects							7,400	7,400
Total Instruction	10,459	15,430	18,846	31,449	17,425	19,833	7,400	120,842
Support Services:								
Salaries								2,044
Personal Services - Employee Benefits								-
Purchased Professional & Technical Services								6,240
Supplies & Materials								-
Other Objects								-
Total Support Services	-	-	-	-	-	-	8,284	8,284
Facilities Acquisition and Const. Serv.:								
Instructional Equipment								-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-	-
Total Expenditures	10,459	15,430	18,846	31,449	17,425	19,833	15,684	129,126
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, 2020

Revenues and Other Financing Sources

Interest on Investments	\$ 189,302
Total revenues	<u>189,302</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	552,801
Construction Services	6,685,447
Other Purchased Services	135,415
Total expenditures	<u>7,373,663</u>

Excess (deficiency) of revenues over (under) expenditures (7,184,361)

Transfers to other funds (189,302)

Cancellations of SCC Grants Receivable (87,372)

Fund balance - beginning 15,428,046

Fund balance - ending \$ 7,967,011

Recapitulation:

Unrestricted Fund Balance 7,967,011

Reconciliation to Governmental Funds Statements (GAAP):

SDA Grant Receivable not Recognized on GAAP Basis (77,934)

Fund Balance per Governmental Funds (GAAP) 7,889,077

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, 2020

	<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	<u>3,482,330</u>	<u>-</u>	<u>3,482,330</u>	<u>3,482,330</u>
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	<u>2,685,058</u>	<u>-</u>	<u>2,685,058</u>	<u>2,685,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 797,272</u>	<u>\$ -</u>	<u>\$ 797,272</u>	<u>\$ 797,272</u>
Additional project information:				
Project Number	5185-030-10-1001			
Grant Date	9/2/2010			
Bond Authorization Date	2/1/2011			
Bonds Authorized	\$1,627,635			
Bonds Issued	\$1,627,000			
Original Authorized Cost	\$4,008,000			
Revised Authorized Cost	\$4,009,062			
Percentage Increase over Original Authorized Cost	0.03%			
Percentage completion	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, 2020**

	<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, 2020**

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

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, 2020

	<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	\$ 607,446	\$	\$ 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>1,737,500</u>	<u>-</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>\$ 306,505</u>	<u>\$ -</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, 2020**

	<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, 2020**

	<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	\$ (29,286)	\$ 50,714	\$ 50,714
Transfer from capital reserve	120,000		120,000	120,000
Total revenues	200,000	(29,286)	170,714	170,714
Expenditures and Other Financing Uses				
Construction Services	56,846		56,846	56,846
Total expenditures	56,846	-	56,846	56,846
Excess (deficiency) of revenues over (under) expenditures	\$ 143,154	\$ (29,286)	\$ 113,868	\$ 113,868
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, 2020**

	<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	\$ (31,810)	\$ 44,190	\$ 44,190
Transfer from capital reserve	114,000		114,000	114,000
Total revenues	<u>190,000</u>	<u>(31,810)</u>	<u>158,190</u>	<u>158,190</u>
Expenditures and Other Financing Uses				
Construction Services	<u>50,536</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>\$ (31,810)</u>	<u>\$ 107,654</u>	<u>\$ 107,654</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, 2020

	<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	\$ (26,276)	\$ 53,724	\$ 53,724
Transfer from capital reserve	120,000		120,000	120,000
Total revenues	200,000	(26,276)	173,724	173,724
Expenditures and Other Financing Uses				
Construction Services	69,355		69,355	69,355
Total expenditures	69,355	-	69,355	69,355
Excess (deficiency) of revenues over (under) expenditures	\$	\$ (26,276)	\$ 104,369	\$ 104,369
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, 2020

	<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	\$ (150,818)	\$ 8,906,182	\$ 8,906,182
Transfer from capital reserve	-	-	-	-
Total revenues	<u>9,057,000</u>	<u>(150,818)</u>	<u>8,906,182</u>	<u>8,906,182</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	425,417	244,754	670,171	670,171
Construction Services	4,988,101	765,727	5,753,828	5,753,828
Other Purchased Services	119,765	10,637	130,402	130,402
Total expenditures	<u>5,533,283</u>	<u>1,021,118</u>	<u>6,554,401</u>	<u>6,554,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,523,717</u>	<u>\$ (1,171,936)</u>	<u>\$ 2,351,781</u>	<u>\$ 2,351,781</u>

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	\$8,906,182
Percentage Increase over Original Authorized Cost	-7.29%
Percentage completion	73.59%
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, 2020

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	\$ 1,126,318	\$ 11,110,318	\$ 11,110,318
Transfer from capital reserve	-	-	-	-
Total revenues	<u>9,984,000</u>	<u>1,126,318</u>	<u>11,110,318</u>	<u>11,110,318</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	682,146	193,874	876,020	876,020
Construction Services	5,224,678	3,800,204	9,024,882	9,024,882
Other Purchased Services	50,225	74,435	124,660	124,660
Total expenditures	<u>5,957,049</u>	<u>4,068,513</u>	<u>10,025,562</u>	<u>10,025,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,026,951</u>	<u>\$ (2,942,195)</u>	<u>\$ 1,084,756</u>	<u>\$ 1,084,756</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	\$11,110,318

Percentage Increase over Original Authorized Cost	17.15%
Percentage completion	90.24%
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, 2020**

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	\$ 13,458,000	\$ (975,500)	\$ 12,482,500	\$ 12,482,500
Transfer from capital reserve	-	-	-	-
Total revenues	<u>13,458,000</u>	<u>(975,500)</u>	<u>12,482,500</u>	<u>12,482,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	729,803	114,173	843,976	843,976
Construction Services	6,500,725	2,119,516	8,620,241	8,620,241
Other Purchased Services	160,110	50,343	210,453	210,453
Total expenditures	<u>7,390,638</u>	<u>2,284,032</u>	<u>9,674,670</u>	<u>9,674,670</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,067,362</u>	<u>\$ (3,259,532)</u>	<u>\$ 2,807,830</u>	<u>\$ 2,807,830</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	\$12,482,500
Percentage Increase over Original Authorized Cost	-6.90%
Percentage completion	77.51%
Original target completion date	
Revised target completion date	

PROPRIETARY FUNDS

Tinton Falls School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2020

	<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	146,352	847,275		588,096	1,581,723
Accounts Receivable:					
State	1,230				1,230
Federal	4,101				4,101
Other	4,000				4,000
Total Current Assets	<u>155,683</u>	<u>847,275</u>	<u>-</u>	<u>588,096</u>	<u>1,591,054</u>
Noncurrent Assets:					
Capital Assets:					
Equipment	37,816				37,816
Less Accumulated Depreciation	(30,922)				(30,922)
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,894</u>
Total Assets	<u><u>162,577</u></u>	<u><u>847,275</u></u>	<u><u>-</u></u>	<u><u>588,096</u></u>	<u><u>1,597,948</u></u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	13,467	30,513			43,980
Deferred Revenue	14,961				14,961
Total Current Liabilities	<u>28,428</u>	<u>30,513</u>	<u>-</u>	<u>-</u>	<u>58,941</u>
Total Liabilities	<u>28,428</u>	<u>30,513</u>	<u>-</u>	<u>-</u>	<u>58,941</u>
NET POSITION					
Invested in Capital Assets Net of Related Debt	6,894				6,894
Unrestricted	127,255	816,762	-	588,096	1,532,113
Total Net Position	<u><u>134,149</u></u>	<u><u>816,762</u></u>	<u><u>-</u></u>	<u><u>588,096</u></u>	<u><u>1,539,007</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, 2020

	<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	132,592				132,592
Daily Sales - Non-Reimbursable Programs	81,876				81,876
Miscellaneous		184,242	30,725		214,967
Total Operating Revenues	<u>214,468</u>	<u>184,242</u>	<u>30,725</u>	<u>-</u>	<u>429,435</u>
Operating Expenses:					
Cost of Food - Reimbursable	68,643				68,643
Cost of Food - Non-Reimbursable	92,559				92,559
Cost of Sales - Other	23,211				23,211
Labor	165,475	102,800	16,668		284,943
Supplies and Materials	341	3,953			4,294
Employee Benefits	9,928	8,322	1,350		19,600
Miscellaneous Expense	7,502	76,525	23,625		107,652
Depreciation	1,694				1,694
Total Operating Expenses	<u>369,353</u>	<u>191,600</u>	<u>41,643</u>	<u>-</u>	<u>602,596</u>
Operating Income (Loss)	(154,885)	(7,358)	(10,918)	-	(173,161)
Non-operating Revenues (Expenses):					
State Sources:					
State School Lunch Program	4,649				4,649
Federal Sources:					
National School Lunch Program	91,354				91,354
National School Breakfast Program	21,507				21,507
Food Distribution Program	22,203				22,203
Interest and Investment Revenue	897				897
Total Non-operating Revenues (Expenses)	<u>140,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,610</u>
Income (Loss) Before Contributions & Transfers	(14,275)	(7,358)	(10,918)	-	(32,551)
Transfers In (Out)		(10,918)	10,918		-
Change in Net Position	(14,275)	(18,276)	-	-	(32,551)
Total Net Position - Beginning	<u>148,424</u>	<u>835,038</u>	<u>-</u>	<u>588,096</u>	<u>1,571,558</u>
Total Net Position—Ending	<u>134,149</u>	<u>816,762</u>	<u>-</u>	<u>588,096</u>	<u>1,539,007</u>

**Tinton Falls School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2020**

	Food Service Program	Time + Program	Early Birds Program	Kindergarten Enrichment Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	214,368	184,242	30,725		429,335
Interfund Receipts					-
Payments to employees	(165,475)	(111,122)	(18,018)		(294,615)
Payments to vendors	(202,313)	(52,100)	(23,625)		(278,038)
Other Operating receipts			10,918		10,918
Other Operating payments		(10,918)			(10,918)
Net Cash Provided by (Used for) Operating Activities	<u>(153,420)</u>	<u>10,102</u>	<u>-</u>	<u>-</u>	<u>(143,318)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	3,654				3,654
Federal Sources	139,050				139,050
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>142,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,704</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of Capital Assets	(6,500)				(6,500)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(6,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	897				897
Net Cash Provided by (Used for) Investing Activities	<u>897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>897</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,319)	10,102	-	-	(6,217)
Balances—Beginning of Year	162,671	837,173	-	588,096	1,587,940
Balances—End of Year	<u>146,352</u>	<u>847,275</u>	<u>-</u>	<u>588,096</u>	<u>1,581,723</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	(154,885)	(7,358)	(10,918)	-	(173,161)
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:					
Depreciation	1,694				1,694
Transfers		(10,918)	10,918		-
(Increase) Decrease in Accounts Receivable	(4,000)				(4,000)
Increase (Decrease) in Deferred Revenue	3,900				3,900
(Increase) Decrease in Inventory	712				712
Increase (Decrease) in Accounts Payable	(841)	28,378			27,537
Total Adjustments	<u>1,465</u>	<u>17,460</u>	<u>10,918</u>	<u>-</u>	<u>29,843</u>
Net Cash Provided by (Used for) Operating Activities	<u>(153,420)</u>	<u>10,102</u>	<u>-</u>	<u>-</u>	<u>(143,318)</u>

FIDUCIARY FUND

**Tinton Falls School District
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2020**

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	48,845
Accounts Receivable	200
Total assets	<u>49,045</u>
LIABILITIES	
Payable to student groups	47,952
Due to General Fund	231
Payroll deductions and withholdings	862
Total liabilities	<u>49,045</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, 2020

N/A

**Tinton Falls School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
ELEMENTARY SCHOOLS:				
Atchinson	22,731	140	3,211	19,660
Swimming River	8,925	1,245	1,221	8,949
Tinton Falls	10,608	16,372	7,638	19,342
Tinton Falls Athletic Fund	1,218	7,779	8,996	1
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>43,482</u>	<u>25,536</u>	<u>21,066</u>	<u>47,952</u>

**Tinton Falls School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
Net Payroll	106	10,032,028	10,032,029	105
Due to General Fund		231		231
Payroll Deductions and Withholdings	<u>2,697</u>	<u>6,994,427</u>	<u>6,996,367</u>	<u>757</u>
	<u><u>2,803</u></u>	<u><u>17,026,686</u></u>	<u><u>17,028,396</u></u>	<u><u>1,093</u></u>

LONG-TERM DEBT

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2020**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
School Refunding Bonds of 2011	7/7/2011	\$ 2,150,000	3/15/2021	270,000	5.000%	805,000		270,000	535,000
			3/15/2022	265,000	3.250%				
School Bonds of 2011	2/1/2011	\$ 4,768,000	3/15/2021	225,000	3.250%	3,273,000		220,000	3,053,000
			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%					

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2020**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
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
						33,163,000		490,000	32,673,000

**Tinton Falls School District
General Long Term Debt Account Group
Statement of Obligations under Capital Leases
June 30, 2020**

SERIES	Amount Outstanding on July 1, 2019	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2020
Xerox Copiers	63,921		25,568	38,353
TOTAL	63,921	-	25,568	38,353

**Tinton Falls School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,982,777		1,982,777	1,982,777	-
State Sources:					
Debt Service Aid Type II	686,805		686,805	686,805	-
Total Revenues	2,669,582	-	2,669,582	2,669,582	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,184,790		2,184,790	2,184,790	-
Redemption of Principal	490,000		490,000	490,000	-
Total Regular Debt Service	2,674,790	-	2,674,790	2,674,790	-
Total expenditures	2,674,790	-	2,674,790	2,674,790	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,208)	-	(5,208)	(5,208)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,208)	-	(5,208)	(5,208)	-
Fund Balance, July 1	5,209	-	5,209	5,209	-
Fund Balance, June 30	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

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.	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Invested in Capital Assets, Net of Related Debt Restricted	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	11,374,363
Unrestricted	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	22,595,523
	(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)	(6,658,085)
Total Governmental Activities Net Position	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	27,311,801
Business-type Activities										
Invested in Capital Assets, Net of Related Debt Restricted	-	9,394	8,350	7,307	6,263	5,219	4,175	3,131	2,088	6,894
Unrestricted	689,404	777,445	935,275	1,093,434	1,249,337	1,397,869	1,527,914	1,577,257	1,569,470	1,532,113
Total Business-type Activities Net Position	689,404	786,839	943,625	1,100,741	1,255,600	1,403,088	1,532,089	1,580,388	1,571,558	1,539,007
District-wide										
Invested in Capital Assets, Net of Related Debt Restricted	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	11,381,257
Unrestricted	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	22,595,523
	649,547	826,416	4,077,181	4,066,691	(1,710,812)	(1,737,717)	(2,479,578)	(4,560,474)	(5,683,664)	(5,125,972)
Total District Net Position	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	28,850,808

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Instruction:										
Regular	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	8,048,625
Special Education	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	3,486,333
Other Special Instruction	279,564	373,591	406,369	428,882	425,761	369,798	388,129	434,846	428,176	484,780
Other Instruction	112,936	115,722	117,308	123,080	171,835	128,277	131,710	129,645	137,863	131,411
Support Services:										
Tuition	538,468	457,644	540,165	472,421	547,665	664,173	621,870	514,783	418,977	307,704
Student & Instruction Related Services	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	4,026,625
General Administrative Services	634,441	541,409	532,366	575,136	556,687	560,877	544,547	551,705	461,912	460,685
School Administrative Services	923,854	942,805	908,650	915,384	978,620	922,480	903,093	898,976	982,104	976,250
Central Services & Admin. Info. Technology	384,650	430,472	385,938	360,903	422,291	427,027	459,300	471,537	476,862	469,952
Plant Operations and Maintenance	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	2,082,704
Pupil Transportation	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	1,946,026
Unallocated Benefits	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	11,206,511
Capital outlay-undepreciable	10,169	12,942	17,762	17,762	17,235	17,762	23,244	18,282	17,763	17,762
Transfer of Funds to Charter School								28,763		
Interest on Long-term Debt	569,882	536,127	507,278	441,297	347,834	304,998	235,922	197,715	1,458,253	1,526,828
Unallocated Depreciation	813,818	934,218	1,147,000	1,251,235	1,454,699	1,456,741	1,545,998	1,538,243	1,562,376	3,149,867
Total Governmental Activities Expenses	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	38,322,063
Business-type Activities:										
Food Service	444,806	487,597	452,665	445,823	456,482	480,606	476,788	475,937	493,031	369,353
Time+	167,828	144,880	158,016	145,455	159,142	132,581	132,625	192,137	199,674	191,600
Kindergarten Enrichment Program	89,080	99,501	100,954	93,265	100,055	1,546				
Early Bird Program								27,218	34,486	41,643
Total Business-type Activities Expenses	701,714	731,978	711,635	684,543	715,679	614,733	609,413	695,292	727,191	602,596
Total District Expenses	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	38,924,659
Program Revenues										
Governmental Activities:										
Operating and Capital Grants and Contributions	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	1,853,222
Total Governmental Activities Program Revenues	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	1,853,222
Business-type Activities:										
Charges for Services:										
Food Service	363,976	346,008	348,374	309,023	283,691	302,980	283,017	274,238	284,144	214,468
Operating Grants and Contributions	114,424	124,028	138,602	153,371	170,779	204,668	210,125	195,688	195,228	140,610
Kindergarten Enrichment	155,968	158,418	157,990	163,015	192,239	10,453	-	-	-	-
Time+	174,458	182,109	184,447	243,012	223,829	244,120	245,272	250,469	210,241	184,242
Early Bird Program								23,196	28,748	30,725
Total Business-type Activities Program Revenues	808,826	810,563	829,413	868,421	870,538	762,221	738,414	743,591	718,361	570,045
Total District Program Revenues	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	2,423,267

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	(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)	(36,468,841)
Business-type Activities	107,112	78,585	117,778	183,878	154,859	147,488	129,001	48,299	(8,830)	(32,551)
Total District-wide Net Expense	<u>(22,464,670)</u>	<u>(22,697,689)</u>	<u>(24,429,215)</u>	<u>(24,128,163)</u>	<u>(30,216,913)</u>	<u>(31,269,952)</u>	<u>(33,846,987)</u>	<u>(36,897,671)</u>	<u>(35,708,605)</u>	<u>(36,501,392)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	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	23,710,281
Taxes Levied for Debt Service	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	1,982,777
Unrestricted Federal and State Aid	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	9,489,558
Tuition Received	136,707	34,161	93,011	58,954	197,953	190,185	148,742	77,784	301,679	281,844
Interest on Investments	39,121	26,928	14,410	8,160						
Miscellaneous Income	65,459	51,486	89,999	71,166	102,628	113,901	120,263	264,142	766,302	511,560
Loss on refunding of long-term debt			54,162							
Capital Asset Adjustment										
Gain / (Loss) on Disposal of Assets	15,303						(48,076)			
Bond Premiums										
Transfers				5,452		964,736		(393,489)	3,414,000	
Cancellation of State Grants Receivable										
Total Governmental Activities	<u>23,598,425</u>	<u>24,237,282</u>	<u>25,953,037</u>	<u>26,529,813</u>	<u>30,517,110</u>	<u>33,549,823</u>	<u>34,741,492</u>	<u>35,194,840</u>	<u>38,006,886</u>	<u>35,976,020</u>
Business-type Activities:										
Transfers										
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-wide	<u>23,598,425</u>	<u>24,237,282</u>	<u>25,953,037</u>	<u>26,529,813</u>	<u>30,517,110</u>	<u>33,549,823</u>	<u>34,741,492</u>	<u>35,194,840</u>	<u>38,006,886</u>	<u>35,976,020</u>
Change in Net Position										
Governmental Activities	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	(492,821)
Business-type Activities	107,112	78,585	117,778	183,878	154,859	147,488	129,001	48,299	(8,830)	(32,551)
Total District	<u>1,133,755</u>	<u>1,539,593</u>	<u>1,523,822</u>	<u>2,401,650</u>	<u>300,197</u>	<u>2,273,185</u>	<u>894,505</u>	<u>(1,702,831)</u>	<u>2,298,281</u>	<u>(525,372)</u>

Source: District Audits

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Restricted	5,602,013	6,932,097	6,815,872	7,905,907	7,855,568	9,456,894	10,836,074	11,657,328	12,747,364	13,715,965
Assigned	2,763,846	2,530,453	3,055,392	2,985,905	2,193,326	2,470,719	1,983,850	712,047	504,105	990,480
Unassigned	703,474	674,684	741,512	604,776	760,277	461,600	525,224	554,422	674,621	703,621
Total General fund	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	15,410,066
All Other Governmental Funds										
Reserved										
Unreserved, Reported in:										
Special Revenue Fund										
Capital Projects Fund										
Debt Service										
Restricted, Reported in:										
Capital Projects Fund	6,296,540	3,873,604	2,582,143	2,212,246	2,460,204	2,003,151	2,003,151	(714,852)	15,262,740	7,889,077
Debt Service Fund	3,959	53,375	54,769	9,404	8,062	9,061	13,949	13,961	5,208	1
Total All Other Governmental Funds	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	7,889,078

Source: District Audits

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

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

Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	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	25,693,058
Other Local Revenue	195,894	197,420	229,506	168,305	300,581	304,086	269,005	341,926	1,032,933	793,404
State Sources	5,966,111	6,801,088	7,295,646	6,385,646	6,583,007	6,752,855	7,199,162	7,467,402	8,371,918	9,138,045
Federal Sources	844,025	751,702	795,600	642,468	762,989	693,013	890,512	738,505	651,851	669,772
Total Revenues	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	36,294,279
Expenditures										
Instruction:										
Regular	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	8,000,848
Special	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	3,486,333
Other Special Instruction	279,564	373,591	406,369	428,882	425,761	369,798	388,129	434,846	428,176	484,780
Other Instruction	112,936	115,722	117,308	123,080	171,835	128,277	131,710	129,645	137,863	131,411
Support Services:										
Instruction - Tuition	521,532	443,585	540,165	472,421	547,665	664,173	621,870	514,783	418,977	307,704
Student Related Services	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	4,026,625
General Administration	634,441	541,409	512,028	545,022	543,026	546,159	601,789	567,314	481,457	486,253
School Administration	923,854	942,805	908,650	915,384	978,620	922,480	903,093	898,976	982,104	976,250
Central Services & Admin. Info. Technology	384,650	430,472	385,938	388,191	449,579	454,315	459,300	471,537	476,862	469,952
Operations and Maintenance	1,738,765	1,648,346	1,749,202	1,758,067	1,820,464	1,785,816	1,934,133	1,927,597	1,938,567	2,071,528
Student Transportation	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	1,946,026
Employee Benefits	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	9,579,635
Transfer to Charter School		14,060						28,763		
Capital Outlay	2,443,102	3,095,904	2,900,166	1,121,963	431,166	983,585	702,075	2,697,800	16,789,006	7,547,039
Debt Service:										
Principal	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	490,000
Interest and Other Charges	521,165	575,123	521,103	455,703	387,703	309,402	240,428	203,228	184,328	2,184,790
Total Governmental Fund Expenditures	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	42,189,174
Excess (Deficiency) of Revenues Over (Under) Expenditures	191,468	(595,797)	(956,416)	470,285	(440,801)	159,252	832,980	(2,745,853)	(15,562,916)	(5,894,895)
Other Financing Sources (Uses)										
Cancelled Receivable's from State						(94,418)		(393,489)	35,048	
Bond Proceeds									29,085,000	
Bond Premium									3,414,000	
Operating Transfers In	1,926,678	5,004	10,659	59,972	357,865	1,426,984	479,264	182,363	282,515	189,302
Operating Transfers Out	(1,943,614)	(5,004)	(5,207)	(61,707)	(357,865)	(367,830)	(479,264)	(182,363)	(282,515)	(189,302)
Proceeds from Borrowing	4,768,000	34,014								
Payment to refunding escrow		(743,836)								
Capital Leases (non-budgeted)			136,439				127,843			
Total Other Financing Sources (Uses)	4,751,064	(709,822)	141,891	(1,735)		964,736	127,843	(393,489)	32,534,048	
Net Changes in Fund Balance	4,942,532	(1,305,619)	(814,525)	468,550	(440,801)	1,123,988	960,823	(3,139,342)	16,971,132	(5,894,895)
Debt Service as a percentage of noncapital expenditures	7.37%	7.42%	6.91%	6.90%	6.93%	6.86%	5.11%	2.09%	2.03%	7.72%

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>
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
2020	281,844	384,374	127,186	793,404

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,	Total Assessed Value										Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value							
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	2,087,213,900	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		
2019	57,945,400	2,412,890,500	7,431,500	140,000	612,259,600	36,418,000	234,462,600	3,361,547,600	0	3,771,887	3,365,319,487	0.751	3,447,867,778		

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Denotes revaluation.

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

Shrewsbury Township:

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm 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)
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	\$36,002,600	\$56,468,200	0	386,483	\$56,854,683	0.695	56,854,683
2015	\$0	\$17,662,400	\$0	\$0	\$0	\$0	\$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
2019	\$0	\$19,768,700	\$0	\$0	\$0	\$0	\$40,078,000	\$59,846,700	0	409,750	\$60,256,450	0.683	53,118,322

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	Total Direct	Local School District	Monmouth Regional School District			Monmouth County	
					Tinton Falls Borough	Library/Other	Monmouth County		
2010	0.592	0.056	0.648	0.648	0.344	0.416	0.285	1.693	
2011	0.649	0.054	0.703	0.703	0.366	0.439	0.300	1.808	
2012	0.672	0.067	0.739	0.739	0.409	0.464	0.305	1.917	
2013	0.693	0.070	0.763	0.763	0.406	0.477	0.314	1.960	
2014	0.729	0.075	0.804	0.804	0.434	0.517	0.342	2.097	
2015	0.696	0.072	0.768	0.768	0.415	0.504	0.320	2.007	
2016	0.707	0.067	0.774	0.774	0.428	0.515	0.315	2.032	
2017	0.726	0.021	0.747	0.747	0.416	0.521	0.284	1.987	
2018	0.712	0.020	0.732	0.732	0.393	0.512	0.282	1.937	
2019	0.693	0.058	0.751	0.751	0.397	0.495	0.272	1.933	

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	Total Direct	Local School District	Monmouth Regional School District			Monmouth County	
					Shrewsbury Township	County Library/Other	Monmouth County		
2010	0.606	0.057	0.663	0.663	0.315	1.019	0.267	2.278	
2011	0.588	0.049	0.637	0.637	0.316	1.042	0.255	2.264	
2012	0.701	0.078	0.779	0.779	0.469	1.327	0.264	2.853	
2013	0.699	0.077	0.776	0.776	0.427	1.429	0.313	2.964	
2014	0.644	0.051	0.695	0.695	0.451	1.462	0.286	2.911	
2015	0.631	0.050	0.681	0.681	0.573	1.688	0.305	3.266	
2016	0.575	0.054	0.629	0.629	0.582	1.453	0.276	2.958	
2017	0.642	0.019	0.661	0.661	0.475	1.438	0.270	2.862	
2018	0.580	0.018	0.598	0.598	0.354	1.336	0.255	2.559	
2019	0.630	0.053	0.683	0.683	0.313	1.355	0.239	2.605	

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%			
Attival 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	
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%	-
2020	25,280,800	25,280,800	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	
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%	-
2020	412,258	412,258	100.00%	-

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

^a

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

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

Borough of Tinton Falls:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Debt Authorized but not Issued	Capital Leases	Total District		
2011	14,289,380	0	85,480	0		14,374,860	1.38%	803
2012	12,228,440	0	45,808	0		12,274,248	1.12%	687
2013	10,881,187	0	136,439	0		11,017,626	0.97%	613
2014	9,508,940	0	109,151	0		9,618,091	0.81%	537
2015	7,867,440	0	81,863	0		7,949,303	0.66%	443
2016	6,191,640	0	54,575	0		6,246,215	0.50%	349
2017	4,912,740	0	115,058	0		5,027,798	0.40%	282
2018	4,778,467	0	89,490	31,966,829		36,834,786	2.75%	2,071
2019	32,631,894	0	62,643	0		32,694,537	2.33%	1,862
2020	31,148,745	0	37,720	0		31,186,465	N/A	N/A

Shrewsbury Township:

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Debt Authorized but not Issued	Capital Leases	Total District		
2011	291,620	0	85,480	0		377,100	0.57%	330
2012	249,560	0	45,808	0		295,368	0.43%	263
2013	236,813	0	136,439	0		373,252	0.53%	332
2014	194,060	0	109,151	0		303,211	0.41%	271
2015	160,560	0	81,863	0		242,423	0.36%	238
2016	126,360	0	54,575	0		180,935	0.26%	178
2017	100,260	0	115,058	0		215,318	0.30%	213
2018	225,467	0	89,490	532,171		847,128	1.11%	839
2019	531,106	0	1,278	0		532,384	0.67%	532
2020	524,255	0	633	0		524,888	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		
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	0.97%	\$ 1,858
2020	32,148,745	-	32,148,745	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		
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	0.88%	\$ 531
2020	524,255	-	524,255	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>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Tinton Falls Borough (Net Debt)	\$ 18,050,000	100.000%	\$ 18,050,000
Monmouth County General Obligation Debt (Net Debt)	512,159,170	2.716%	13,911,396
Monmouth Regional High School	25,315,000	58.630%	14,842,085
Tinton Falls School District Direct Debt Outstanding	32,673,000	98.395%	32,148,745
Total direct and overlapping debt			\$ 78,952,226

<u>Township of Shrewsbury</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Shrewsbury (Net Debt)	\$ 1,215,810	100.000%	\$ 1,215,810
Monmouth County General Obligation Debt	512,159,170	0.048%	247,669
Monmouth Regional High School	25,315,000	0.920%	233,024
Shrewsbury Township School District Direct Debt Outstanding	32,673,000	1.605%	524,255
Total direct and overlapping debt			\$ 2,220,757

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 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 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	\$ 101,637,190
Total net debt applicable to limit	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	33,163,000
Legal debt margin	\$ 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	\$ 68,474,190
Total net debt applicable to the limit as a percentage of debt limit	15.19%	12.82%	14.13%	11.56%	10.69%	8.59%	6.73%	39.17%	34.13%	32.63%

	2019	2018	2017
Equalized valuation basis	3,547,377,452	3,437,087,647	3,179,253,947
2019	3,494,695,498	3,384,404,126	3,187,608,996
2018	52,681,954	52,683,521	52,683,845
2017			
[A]	\$ 10,163,719,046	\$ 10,066,708,620	\$ 158,049,320
[A/3]	\$ 3,387,906,349	\$ 3,355,569,540	\$ 52,683,107
[B]	101,637,190	a	
[C]	33,163,000		
[B-C]	\$ 68,474,190		

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit (3 % of average equalization value)										
Net school debt bonded and authorized but not issued										
Legal debt margin										

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

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

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

Exhibit J-14

Borough of Tinton Falls:

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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	\$ 1,404,653,614	79,978	3.5%
2019	17,451	N/A	N/A	3.1%

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	\$ 79,978,000	79,978	4.4%
2019	993	N/A	N/A	3.0%

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,
 Unaudited
 SHREWSBURY TOWNSHIP

Employer	2019			2008		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0.00%	-		0.00%

N/A= NOT AVAILABLE

Tinton Falls School District													Exhibit J-16
Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years													
<u>Function/Program</u>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
Instruction													
Regular	95	99	100	92	95.35	93.62	91	94	90				
Special education	38	31	31	31	33.13	35	58	57	67				
Other special education	31	36	35	35	37.5		31	32	32				
Vocational	-	-	-	-	-	-	-	-	-				
Other instruction	3	4	4.5	7	3	3	10	13	13				
Nonpublic school programs	-	-	-	-	-	-	-	-	-				
Adult/continuing education programs	-	-	-	-	-	-	-	-	-				
Support Services:													
Tuition	-	-	-	-	-	-	-	-	-				
Student & instruction related services	21	23	24.5	20.5	20.54	53	13	11	12				
General administrative services	5	3	3	3	4	4	7	7	7				
School administrative services	15	14	14	13	15	15	12	12	12				
Business administrative services	5	5	5	5	5	4.3	7	7	7				
Plant operations and maintenance	6	5	5	-	-	-	-	-	-				
Pupil transportation	-	-	-	-	-	-	-	-	-				
Special Schools	-	-	-	-	-	-	-	-	-				
Food Service	-	-	-	-	-	-	-	-	-				
Child Care	-	-	-	-	-	-	-	-	-				
Total	219	220	222	207	214	208	229	233	240				229
Source: District Personnel Records													

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Elementary School	Middle School	Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
								Enrollment (c)	Attendance (c)		
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%
2020	1,414	31,967,345	\$ 22,607.74	0.86%	175	121	54	1,418.41	1,373.55	0.99%	96.84%

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***

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
Elementary										
Mahala F. Atchinson(Year)										
Square Feet	86,950	86,950	86,950	86,950	86,950	86,950	87,249	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	68,636	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	105,094	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	8,000	8,000	8,000	8,000
Number of Schools at June 30, 2019										
Elementary										
2										
Middle School										
1										
Other										
1										
	258,897	258,897	258,897	258,897	258,897	258,897	268,979	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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Mahala F. Atchinson	N/A	127,022	147,121	139,189	122,065	148,783	172,020	124,865	114,631	132,929	105,152
Swimming River School	N/A	141,616	144,202	134,961	149,597	115,899	110,480	99,147	100,017	93,569	96,051
Tinton Falls Middle School	N/A	152,887	168,578	144,460	216,307	126,027	127,215	127,723	134,828	108,725	100,696
Administration Building	N/A	30,830	29,056	31,222	25,639	35,303	15,566	9,939	9,097	10,052	17,270
Total School Facilities		452,355	488,957	449,832	513,608	426,012	425,281	361,674	358,573	345,275	319,169

BOROUGH OF TINTON FALLS SCHOOL DISTRICT

**Insurance Schedule
June 30, 2020
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	52,307,341	1,000
Comprehensive General Liability	\$2M OCC./\$2M AGG.	
Comprehensive Automobile Liability	1,000,000	500
Automobile Physical Damage	1,000,000	1,000
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	500
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	250,000	0
Public Employee Faithful Performance	250,000	0
Business Administrator Bond	250,000	0
Student Accident	1,000,000	0
Workers Compensation	3,000,000	
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



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
Suite 301
Rockaway, New Jersey 07866
(973)-835-7900

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 28, 2020.

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 28, 2020





WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkottz, CPA, RMA, PSA
Matthew B. Wielkottz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
Suite 301
Rockaway, New Jersey 07866
(973)-835-7900

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, 2020. 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, 2020.

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

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 28, 2020

BOROUGH OF TINTON FALLS SCHOOL DISTRICT														K-3
Schedule of Expenditures of Federal Awards														SCHEDULE A
for the Fiscal Year Ended June 30, 2020														
Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2019	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2020		MEMO Cumulative Total Expenditures
												(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education														
General Fund:														
Impact Aid	84.041	N/A	N/A	17,952	7/1/19	6/30/20		17,952	(17,952)					17,952
Medical Assistance Program (SEMI)	93.778	2005N15MAP	N/A	18,783	7/1/19	6/30/20		18,783	(18,783)					18,783
								36,735	(36,735)					36,735
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I	84.010	S010A190030	NCLB518520	117,390	7/1/19	9/30/20		73,722	(117,235)		(43,513)			117,235
Title I	84.010	S010A180030	NCLB518519	127,776	7/1/18	9/30/19	(39,976)	39,976						127,722
Title II, Part A	84.367A	S367A190029	NCLB518520	36,425	7/1/19	9/30/20		27,495	(27,495)					27,495
Title II, Part A	84.367A	S367A180029	NCLB518519	37,795	7/1/18	9/30/19	(28,300)	28,300						30,900
Title III Immigrant	84.365	S365A180030	NCLB518518	2,418	7/1/18	9/30/19				3,787				3,787
Title III Immigrant	84.365	S365A170030	NCLB518516	1,841	7/1/17	9/30/18	(3,787)	5,118	(7,068)		(1,950)			7,068
Title IV, Part A	84.424	S424A190031	NCLB518520	16,988	7/1/19	9/30/20		6,663						7,367
Title IV, Part A	84.424	S424A180031	NCLB518519	7,367	7/1/18	9/30/19	(6,663)							7,367
Sub-total						(78,726)	-	181,274	(151,798)		3,787	(45,463)		321,574
U.S. Department of Agriculture														
Passed-through State Department of Education														
Child Nutrition Cluster:														
Non-Cash Assistance														
Food Distribution Program	10.555	201NI304NI099	N/A	22,203	7/1/19	6/30/20		22,203	(22,203)					22,203
Cash Assistance:														
National School Lunch Program	10.555	201NI304NI099	N/A	91,354	7/1/19	6/30/20		88,664	(91,354)		(2,690)			91,354
National School Lunch Program	10.555	191NI304NI099	N/A	127,723	7/1/18	6/30/19	(6,335)	6,335						127,723
School Breakfast Program	10.553	201NI304NI099	N/A	21,507	7/1/19	6/30/20		20,096	(21,507)		(1,411)			21,507
School Breakfast Program	10.553	191NI304NI099	N/A	22,714	7/1/18	6/30/19	(1,752)	1,752						22,714
Total Enterprise Fund						(8,087)		139,050	(135,064)		(4,101)			285,501
Total Federal Financial Awards						\$ (263,010)	\$ -	\$ 952,193	\$ (804,836)	\$ -	\$ 3,787	\$ (111,866)	\$ -	\$ 1,502,296

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

BOROUGH OF TINTON FALLS SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Adjusted/Cancelled	(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenue (Accts. Receivable)	Due to Grantor									
State Department of Education														
General Fund:														
Transportation Aid	20-495-034-5120-014	982,013	7/1/2019	6/30/2020		884,781	(982,013)						97,232	982,013
Special Education Categorical Aid	20-495-034-5120-089	986,472	7/1/2019	6/30/2020		888,798	(986,472)						97,674	986,472
Security Aid	20-495-034-5120-084	196,966	7/1/2019	6/30/2020		177,464	(196,966)						19,502	196,966
Adjustment Aid	20-495-034-5120-085	1,173,919	7/1/2019	6/30/2020		1,057,686	(1,173,919)						116,233	1,173,919
Extraordinary Aid	20-100-034-5120-044	655,636	7/1/2019	6/30/2020			(655,636)							655,636
Extraordinary Aid	19-100-034-5120-044	625,321	7/1/2018	6/30/2019										625,321
Non-Public Transportation	20-495-034-5120-014	11,464	7/1/2019	6/30/2020		19,057	(11,464)							11,464
Non-Public Transportation	19-495-034-5120-014	19,057	7/1/2018	6/30/2019										19,057
Host District Support Aid	20-495-034-5120-102	51,143	7/1/2019	6/30/2020		40,140	(51,143)							51,143
Host District Support Aid	19-495-034-5120-102	40,140	7/1/2018	6/30/2019		42,325	(43,325)							40,140
On-Behalf TPAF Pension and Annuity Fund - Non-contributory Insurance	20-495-034-51094-001	894,215	7/1/2019	6/30/2020		894,215	(894,215)							894,215
On-Behalf TPAF Pension and Annuity Fund - Post Retirement Medical and L-T Disability	20-495-034-51094-002	2,361,371	7/1/2019	6/30/2020		2,361,371	(2,361,371)							2,361,371
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	863,491	7/1/2019	6/30/2020		821,191	(863,491)			(42,300)				863,491
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	931,104	7/1/2018	6/30/2019		11,862								931,104
Total General Fund						7,824,211	(8,219,015)			(760,543)			330,641	9,834,637
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	20-100-034-5120-064	15,497	7/1/2019	6/30/2020		15,497	(15,430)							15,430
Textbook Aid	19-100-034-5120-064	18,210	7/1/2018	6/30/2019				(909)				67		17,301
Technology Aid	20-100-034-5120-373	10,620	7/1/2019	6/30/2020		10,620	(10,459)							10,459
Technology Aid	19-100-034-5120-373	12,276	7/1/2018	6/30/2019		21		(21)						12,255
Security Aid	20-100-034-5120-509	89,100	7/1/2019	6/30/2020		89,100	(87,113)							87,113
Security Aid	19-100-034-5120-509	96,750	7/1/2018	6/30/2019				(160)						96,590
Handicapped Services:														
Supplemental Instruction	20-100-034-5120-066	19,833	7/1/2019	6/30/2020		17,304	(19,833)			(2,529)				19,833
Examination & Classification	20-100-034-5120-066	35,114	7/1/2019	6/30/2020		31,305	(31,449)			(3,809)				31,449
Examination & Classification	19-100-034-5120-066	31,120	7/1/2018	6/30/2019				(1,889)						29,231
Connective Speech	20-100-034-5120-066	19,139	7/1/2019	6/30/2020		17,456	(17,425)			(1,683)				17,425
Auxiliary Services:														
Compensatory Education	20-100-034-5120-067	20,279	7/1/2019	6/30/2020		18,134	(20,279)			(2,145)				20,279
Compensatory Education	19-100-034-5120-067	10,829	7/1/2018	6/30/2019				(730)						10,099
E.S.L.	20-100-034-5120-067	1,654	7/1/2019	6/30/2020		1,471	(1,654)			(183)				1,654
E.S.L.	19-100-034-5120-070	28,615	7/1/2019	6/30/2020		28,615	(18,846)							18,846
Nursing Services	33,077	33,077	7/1/2018	6/30/2019				(25)						33,052
Nursing Services	4,449	4,449	7/1/2006	6/30/2007						4,276				
Charter Education Aid	06-495-034-5120-053	4,655	7/1/2005	6/30/2006						894				
Charter Education Aid	05-495-034-5120-053	4,856	7/1/2004	6/30/2005						2,861				
Teacher Quality Mentoring	04-495-034-5120-053	1,892	7/1/2007	6/30/2008						592				
Governor's Teachers Excellence Award										2,015				
Total Special Revenue Fund						229,502	(222,488)	(3,734)		(10,349)		17,363		421,016
Debt Service Fund:														
Debt Service Aid	20-495-034-5120-075	686,805	7/1/2019	6/30/2020										686,805
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	20-100-010-3350-023	4,649	7/1/2019	6/30/2020		3,419	(4,649)			(1,230)				4,649
State School Lunch Program	19-100-010-3350-023	4,814	7/1/2018	6/30/2019		235								4,814
Total Enterprise Fund						3,654	(4,649)			(1,230)				9,463
New Jersey Development Economic Authority														
Capital Projects Fund:														
School Facilities Project	5185-050-15-1000	80,000	7/1/2014	6/30/2015						(22,738)				56,846
School Facilities Project	5185-050-15-1000	76,000	7/1/2014	6/30/2015						(20,214)				50,536
School Facilities Project	5185-050-15-1000	80,000	7/1/2014	6/30/2015						(27,412)				69,355
School Facilities Project										(70,694)				176,737
Total State Financial Assistance						8,744,172	(9,132,957)	(3,734)		(842,816)		17,363	330,641	11,128,658
Less: On-Behalf TPAF Pension and Annuity Aid														
On-Behalf TPAF Pension and Annuity Fund - Non-contributory Insurance														
On-Behalf TPAF Pension and Annuity Fund - Post Retirement Medical and L-T Disability														
Total for State Financial Assistance Determination						5,446,261	(5,835,046)	(3,734)		(842,816)		17,363	330,641	11,128,658

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 \$9,737 for the general fund, \$-0- for the special revenue fund, and \$(77,934) 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	\$36,735	\$8,228,752	\$8,265,487
Special Revenue Fund	633,037	222,488	855,525
Debt Service Fund		686,805	686,805
Food Service Fund	<u>135,064</u>	<u>4,649</u>	<u>139,713</u>
Total Financial Awards	<u>\$804,836</u>	<u>\$9,142,694</u>	<u>\$9,947,530</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, 2020. 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, 2020.

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>	\$117,235
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	27,495
Title IV: <i>Student Support and Academic Enrichment (ESSA)</i>	<u>7,068</u>
Total	<u>\$151,798</u>

**BOROUGH OF TINTON FALLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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>Cluster</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or</u>
<u>84.027/84.173</u>	<u>H027A180100/</u> <u>H173A180114</u>	<u>I.D.E.A. Cluster:</u> <u>I.D.E.A. Part B Basic/Preschool</u>

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

Auditee qualified as low-risk auditee? 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:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-089	(A) Cluster: State Aid - Public Special Education Categorical Aid
20-495-034-5120-084	(A) Security Aid
20-495-034-5120-085	(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, 2020**

-

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, 2020**

Status of Prior Year Findings

All prior year findings have been corrected.