



# Toms River Regional School District

Toms River Board of Education  
Toms River, New Jersey 08753

Comprehensive Annual Financial Report  
For the Fiscal Year Ended **June 30, 2017**

**Toms River Regional  
School District**

**Toms River Regional Board of Education  
Toms River, New Jersey**

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2017

Prepared by

Toms River Regional School District  
Business Administrator's Office

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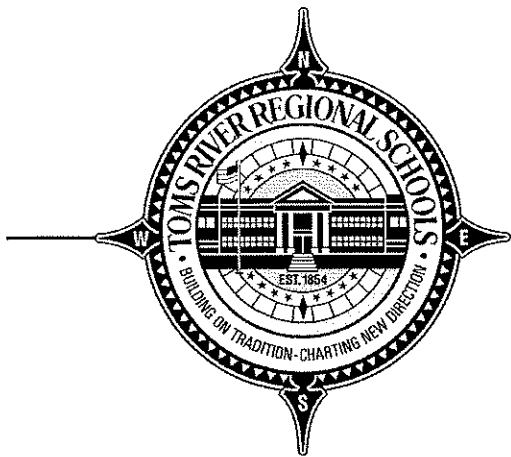
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## Introductory Section



## TOMS RIVER REGIONAL SCHOOLS

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December 4, 2017

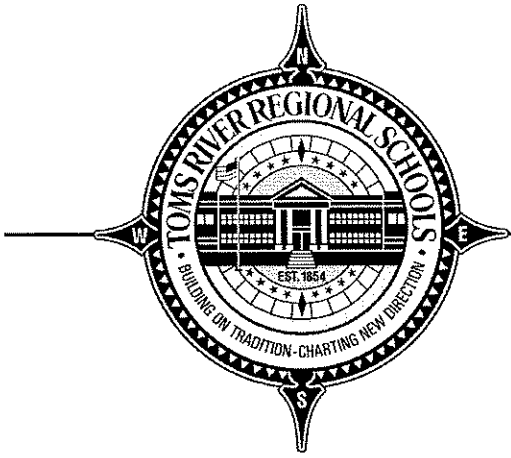
Honorable President and  
Members of the Board of Education  
Toms River School District  
County of Ocean, New Jersey

Dear Board Members and constituents:

The comprehensive annual financial report of the Toms River Regional School District for the year ended June 30, 2017 is hereby submitted. 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 of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2017, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, a roster of officials, independent auditors and advisors. The financial section includes Management's Discussion and Analysis, basic financial statements, required supplementary information and supplementary information, as well as the auditors' report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulation (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the independent auditors' reports on internal control and compliance with applicable laws and regulations and findings and questioned costs, is included in the single audit section of this report.





# TOMS RIVER REGIONAL SCHOOLS

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## 1. REPORTING ENTITY AND ITS SERVICES

The Toms River School District is an independent reporting entity within the criteria adopted by the GASB. All funds and the government-wide financial statements of the District are included in this report. The Toms River Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education for children with special needs. The District's average daily enrollment for 2016-2017 school year decreased by 209.2 students over the previous year's enrollment. The following details the changes in the student enrollment of the District for the past five years. These figures are based upon average daily enrollment.

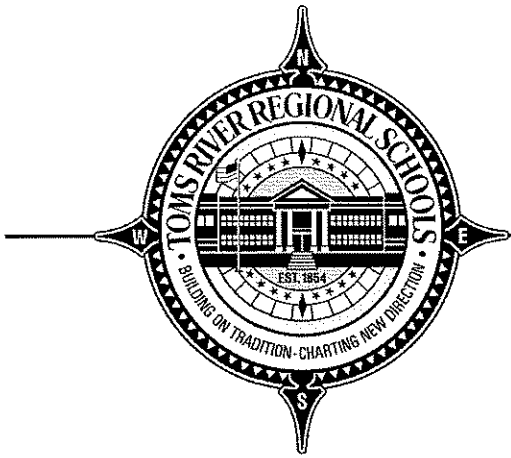
### Average Daily Enrollment

Fiscal Year	Student Enrollment	# Students (+/-)	Percent Change
2012-13	16,556.4	-231.0	0.0138%-
2013-14	16,134.1	-422.3	0.0255%-
2014-15	15,783.8	-350.3	0.0217%-
2015-16	15,812.0	+ 28.2	0.0018%
2016-17 (as submitted)	15,602.8	-209.2	0.0132%-

## 2. ECONOMIC CONDITION AND OUTLOOK

Local, state, and federal economic conditions continue to create a relatively unstable and uncertain economic environment, for all entities, including the school district. In October 2012, the community was devastated by Superstorm Sandy which caused significant damage throughout our regional community. Toms River Township lost 15%-20% of the ratable base due to the storm and our understanding is that \$600 million in ratables have yet to return to the tax rolls, although the ratable recovery process is ongoing. It is expected that the aftereffects of Superstorm Sandy will put a strain on tax revenues and services for years to come. Other items of concern include investment rates which are still hovering at very low levels. Additionally, the State of New Jersey has again delayed payment of the final two State Aid payments for the year, totaling \$6,728,281 as of June 30, 2017.

The 2017-2018 School Budget was approved by the Board of Education in April 2017 and the budget as presented provides for a thorough and efficient education. After we finalized the 2017-18 budget and the New Jersey Department of Education approved it through its Ocean County Office, New Jersey Senate leaders proposed a new State aid allocation that would have resulted in a reduction in our State Aid by approximately



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\$3.3 million. After we contacted legislators, the Governor's Office, the New Jersey Department of Education and other negatively impacted districts, a new allocation was proposed by legislators which still would have reduced our 2017-18 State Aid by approximately \$1.4 million. After we again contacted legislators, the Governor's Office, the New Jersey Department of Education and other negatively impacted districts, and based on final State Budget provisions, we were able to apply for a restoration (total or partial) of lost State Aid if financial distress could be demonstrated. The district submitted much substantiation and our entire \$1.4 million reduction in State Aid was restored for 2017-18. Given the allocation proposals that have been presented to date, the district remains concerned about maintaining the level of State Aid we currently receive going forward.

The overall tax levy (general and debt service levy) increase with the 2017-18 budget was 4.6% or \$6.9 million, although the tax increases for the average home in the four towns in the regional district ranged from (.67) to 3.95 cents. This mitigated tax impact is due to the recovery already made with Toms River Township's ratable base coupled with the district utilizing \$2.0 million from the Maintenance Reserve to fund the 2017-18 budget. Of concern is that the district will need to replace the \$2.0 million Maintenance Reserve funding as that level of funding is not sustainable. It is expected that the ratable recovery in Toms River Township will continue, which will help in mitigating the financial impact of next year's budget. Also, given the Department of Education's allocation of taxes between the constituent municipalities in the regional district being based on equalized valuations, substantial changes in the ratable base for the largest ratable base (Toms River Township) can have a significant impact on the tax allocation for all communities in the regional district.

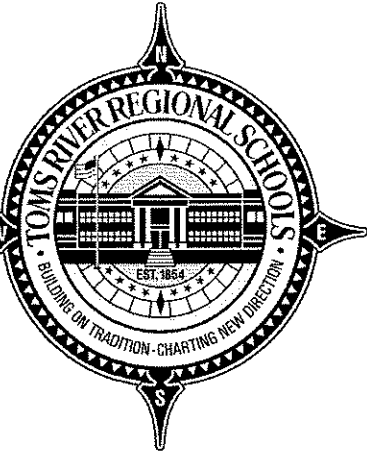
The District continues to be concerned about the status of the economy and the fiscal health of the State of New Jersey. Although the District will continue to strive to find fiscal efficiencies in all aspects of our operation, we remain concerned about our allowable level of surplus, the impact of the 2% property tax cap, our allocation of State Aid and the effect of any legislation that could have a negative impact on the efficiency or quality of our school system.

### 3. MAJOR INITIATIVES

#### English/Language Arts:

K – 5

During the 2017-18 school year, we will continue to provide staff with training to implement a comprehensive balanced literacy block. Professional training and resources were provided for word study instruction during the latter part of 2016-17SY, with the intention of full scale implementation district wide for 17-18. Additionally, all staff will receive training and support to administer running records as a means to evaluate and monitor reading growth throughout the school year. Toward this end, funds will be allocated to continue to expand classroom libraries in an effort to foster growth for all learners.



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### 6 – 8

Changes at the Intermediate School were implemented during the 2016-2017 school year as recommended through focus group meetings. These changes include a revised schedule creating the “Academic Activity” period. This additional 42-minute daily period provides cross-curricular, problem-based learning experiences to help students apply concepts learned during their academic classes. It also provides opportunities for focused remediation for students in need. Personalized, on-line assessments and curriculum were purchased to support teachers in Basic Skills instruction and to maximize student growth. In English Language Arts, student reading levels were determined and independent reading libraries provided students with materials and time for independent reading. Teachers were supported as they master conferencing skills. This year, we will continue to build libraries and train teachers in conferencing. For Basic Skills students, Achieve3000 was piloted. This provided the assessment tool to determine student strengths and weaknesses. It also provided leveled, nonfiction articles for students to read and analyze. This subscription will be continued in 2017-2018.

### 9 – 12

English Language Arts at the secondary level is integrating independent reading and conferencing as our students grow as readers. Grade 9-12 classroom libraries are expanding to accommodate this research-supported initiative. The curriculum has also been revised to support the New Jersey Student Learning Standards (NJSLS) in English Language Arts. Student reading levels were assessed through SRA and IRLA programs in grades 9 and 11. This initiative will continue in 2017-2018.

The district will introduce our brand new Career Academies at each of its three high schools in the areas of STEAM, Business and Finance, and the Arts in September 2017. Targeted teacher training and curriculum revision will be in full swing during the Summer of 2017 and into the school year. Academy teacher training will focus on the creation of Authentic Learning Units. These units will embed real-world problem-solving, related to the Career Academy strand. It will also promote interdisciplinary content and student-led learning. The district’s upgraded technology will be an integral part of this initiative to foster student success and their preparation for careers and college.

### **Mathematics:**

#### K – 5

During the 2016-17 school year we focused on revising mathematics assessments in order to provide a greater snapshot of students’ mastery of the standards. Teachers were provided with options for supplementing the Everyday Math materials as they were deficient in comprehensive instruction of the standards. Curriculum development for Mathematics will begin during the Summer 2017 with a focus on greater alignment of instruction to the NJSLS/CCCS. The 2017-18SY will entail a comprehensive pilot for an anticipated 18-19SY mathematics adoption.



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6 – 8

The Academic Activity period provided opportunities to introduce lessons employing “productive struggle.” This critical problem solving skill is strongly emphasized in the NJSLs and the NGSS (Next Generation Science Standards.) Teachers analyzed data to determine curriculum weaknesses and strengths and modified lessons accordingly. Mathematics Basic Skills was altered this year to provide full period support during the Academic Activity marking period. Basic Skills Math instruction was supported with “i-Ready.” This online, personalized learning tool identifies student skill deficiencies and provides targeted instruction to grow these skills. “i-Ready” will be purchased for continued implementation in the 2017-2018 school year.

9 – 12

The curriculum has been revised to support the New Jersey Student Learning Standards in Mathematics. Curriculum committees will meet over the summer to continue the review process and align our curriculum with the Frameworks provided by the New Jersey Department of Education. The final piece of our new mathematics series will be introduced in the high school this year with the purchase of new Precalculus texts.

### Science:

K – 5

During the 2016-17SY a new science curriculum was implemented in the elementary grade with a focus on inquiry-based, hands on learning. A group of 55 teachers representing kindergarten and grades two and four participated in a pilot that entailed three separate resources. An anticipated Science adoption for the 2017-18SY will allow teachers to deliver science instruction that is aligned with the NGSS while incorporating engineering design practices within a hands-on learning environment.

6 – 8

Problem based science units were introduced during the new Academic Activity period during the 2016-2017 school year. Everyday materials were purchased and used in the creation of bridges, solar ovens and other STEAM-based projects. These lessons strongly support the NGSS as does the 6-8 curriculum.

9 – 12

We will continue to provide an inquiry based curriculum that is aligned with the Next Generation Science Standards (NGSS). We will also continue infusing technology to support instruction wherever possible and maximize opportunities for students to engage in creative and critical thinking. Summer 2018 Professional Development is planned for teachers to provide assistance as NGSS-aligned and adjusted curricula are rolled out. We will also review and revise course offerings in support of the district’s STEAM academy.



## TOMS RIVER REGIONAL SCHOOLS

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### **Social Studies:**

#### **K – 5**

A curriculum team representing all grade levels collaborated during the 2016-17SY to create project-based units that support inquiry led instruction. This work will continue throughout the 17-18SY to support teachers in providing authentic learning opportunities for students.

#### **6 – 8**

The Intermediate level social studies program will continue with cross-curricular (Language Arts) activities evidenced by a mandatory research and writing report using a myriad of supports, including online resources. We also have implemented RST's (research simulation tasks.) This is in support of standards and preparation for PARCC. The Academic Activity period provided opportunities for in-depth study of select topics.

#### **9 – 12**

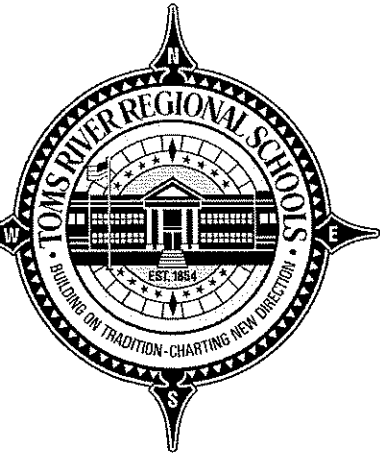
We will continue to review our curriculum to ensure it is meeting the NJCCCS (New Jersey Core Curriculum Content Standards). The common quarterly assessments will be reviewed and revised to ensure they are aligned to the curriculum and standards. Professional development and support will be provided to continue to deepen the understanding of the changes that took place in the new AP US History exam. We will work in tandem with the English department to support the educational shifts brought about from the Common Core State Standards.

### **Visual and Performing Arts:**

During the 2017-18SY Visual & Performing Arts teachers will help to support arts integration opportunities for multiple curricular areas.

Grades 6-12 will meet to review and revise curricula and offerings in order to provide students with a higher level of skills and aesthetic awareness to better prepare them for more advanced courses at the high school and college level. The curriculum and common quarterly assessments will be reviewed to ensure they are aligned with the NJCCCS.

The Visual, Performing and Digital Arts Academy will be offered to incoming ninth grade students meeting admission criteria in September 2017. Curriculum will be revised and written over the next three years to support the exciting new program.



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## **Health and Physical Education:**

### **K-5**

During the 2017-18SY physical education teachers will support their general education colleagues in implementing a prevention curriculum.

6 – 12 district curriculum and common quarterly assessments will be reviewed and adjusted to assure alignment to the NJCCCS. The high school Option ii program will once again be offered as well as reviewed and refined.

## **World Language:**

Elementary World Language teachers worked to revise curriculum documents (including pacing guides) during the 2016-17 school year. The focus fell on adopting a common grade 4 assessment that reflected students' mastery of the expected language proficiencies by the end of the grade level. District wide K-12 we will continue to provide the existing curriculum that focuses on developing proficiency in world languages. Common quarterly assessments as well as the curriculum will be reviewed and modified to ensure they are aligned to the NJCCCS. World Language Teachers will be meeting in the summer to review standards-aligned textbooks and other materials.

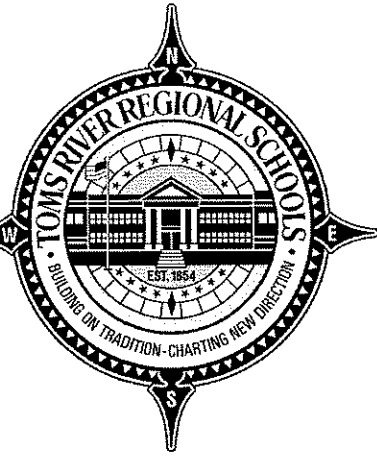
## **Technology:**

K-12 technology curricula were collaboratively redesigned and inter-disciplinarily aligned based upon new state standards and grade level objectives. Teachers continue to add activities and resources to enhance aligned classroom instruction. It is designed to be a scope for a course, but not necessarily a sequence as new tools and technology evolve continuously to meet the needs of 21st century learners.

The district continues to invest in technology tools, platforms and infrastructure to increase student achievement, improve communication and productivity, and develop career and college-ready skills and understandings.

Engineering design practices, open ended problem solving, and a maker mindset required for students to master the new Next Generation Science Standards are being further infused in classroom instruction. Technology is being used increasingly to help students reach beyond the four walls of our classrooms and into local and global collaborative efforts.

Going forward, teachers will review and revise the curricula and refine interdisciplinary vertical and horizontal articulation. Training and materials will be provided on an ongoing basis as new technologies emerge and existing technologies further meet the instructional needs of our students.



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## 21st Century Life Skills:

6-12

Intermediate 21st Century Life Skills courses include Cooking, Sewing and Careers in sixth, seventh and eighth grades respectively. High School elective 21st Century Life Skills courses are in the areas of business, engineering and design and fashion. Toms River Schools will continue to offer the Option III plan for the online financial literacy program through MoneySkills.com and examines the delivery and assessment of the program and further integrate the New Jersey Career Assistance Network resources into the careers classrooms. Other online learning platforms are being researched and piloted.

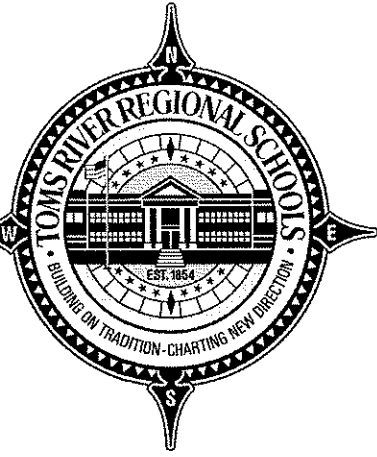
Curricula were collaboratively designed and inter-disciplinarily aligned based upon state standards and grade level objectives. Teachers continue to add activities and resources to enhance aligned classroom instruction. Course offerings will be reviewed and adjusted where needed to best serve the needs of the students. All levels will continue to review and modify their common quarterly assessments to ensure they are aligned to the curriculum and the NJCCCS.

The district is also planning to implement high school **Career Academies** in the fall of 2017. Each high school will host one of the following: STEAM (Science, Technology, Engineering, Art and Math); Business and Finance; and Arts (Visual, Performing and Digital). Budgetary considerations include facilities, equipment, materials, personnel (recruitment and hiring), professional development, and curriculum writing both to strengthen existing course offerings and to support needed new programs.

## 4. INTERNAL CONTROL

Management is responsible for establishing and maintaining internal controls 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 environment 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 awards and state financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The District administration is also charged with the responsibility of periodic evaluation of internal controls.



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

## 5. BUDGETARY CONTROLS

In addition to internal control, the District maintains budgetary controls. The legal level of budgetary control is established at line-item accounts within each fund. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the District. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets that are approved for capital improvements are 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 item 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 assigned fund balance at June 30, 2017.

## 6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect accounting principles generally accepted, in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and government-wide financial statements. These funds and the government-wide financial statements are explained in "Notes to the Financial Statement," Note 1.

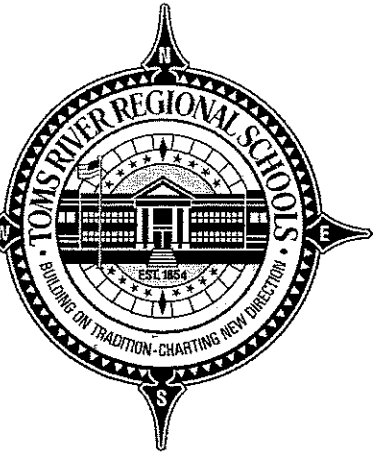
## 7. FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility to ensure sound financial management.

## 8. OTHER INFORMATION

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements of the Single Audit Act Amendments of 1996, the Federal Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditors' report includes financial statements and combining individual fund statements and schedules to ensure clear financial reporting. The auditors' reports related specifically to the single audit are included in the single audit section of this report.





## TOMS RIVER REGIONAL SCHOOLS

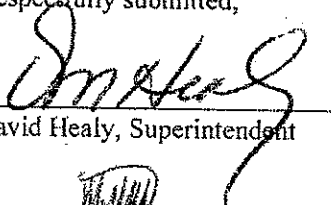
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**Certificate of Excellence in Financial Reporting Award** - the District received the Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials International for the June 30, 2016 Comprehensive Annual Financial Report (the second year in row the District has achieved this award).

### 9. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Toms River School Board for their support with regards to the financial operations of the district. This annual report demonstrates to the citizens and taxpayers of the regional community, the ongoing efforts to ensure fiscal accountability. Finally, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



David Healy, Superintendent



William Deering, Business Administrator

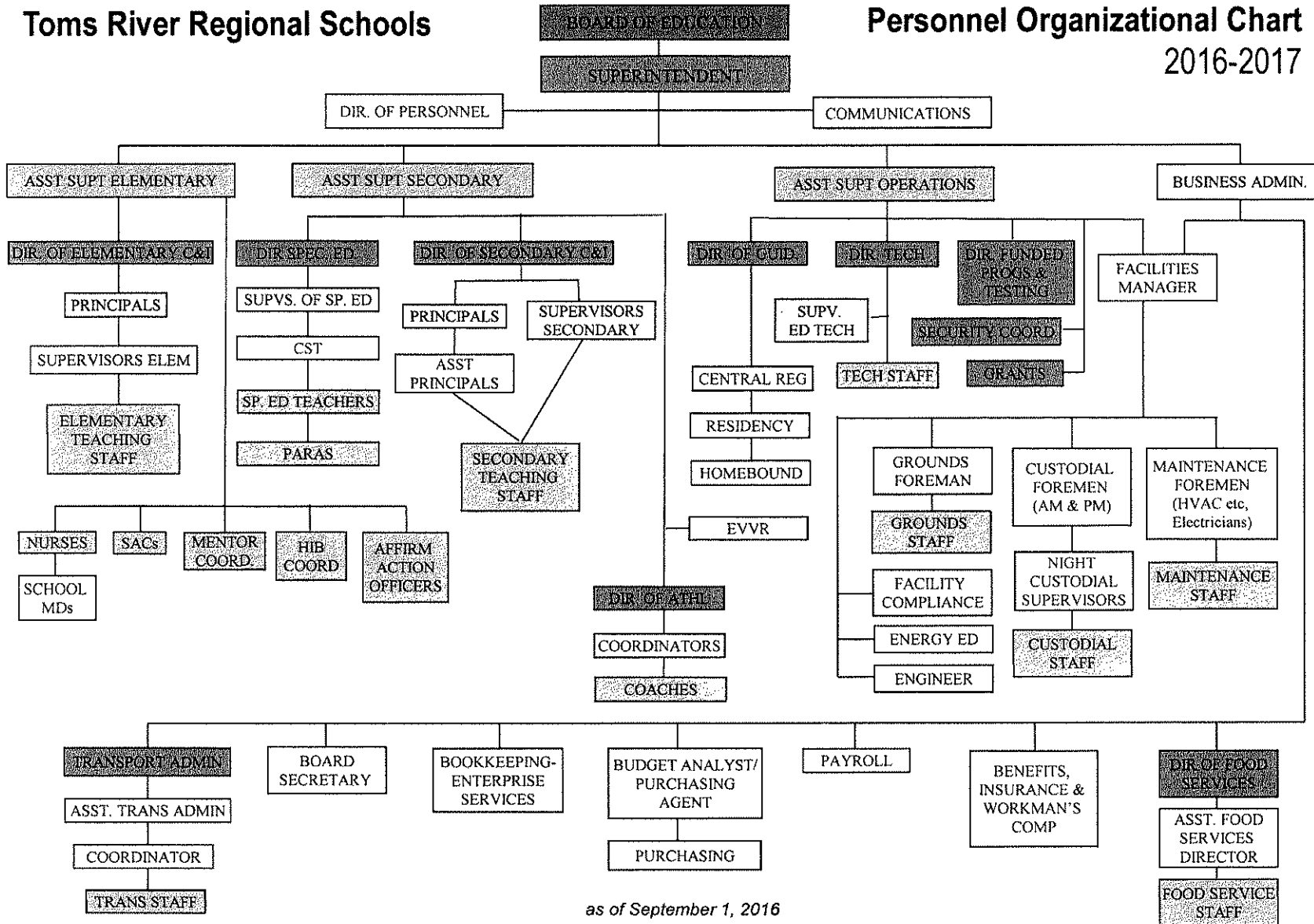


Wendy L. Saxton, Board Secretary

# Toms River Regional Schools

# Personnel Organizational Chart

2016-2017



as of September 1, 2016

Toms River Regional School District  
Toms River, New Jersey

Roster of Officials

June 30, 2017

	<b><u>Term Expires</u></b>
<b><u>Members of the Board of Education</u></b>	
Ben Giovine, President	2017
Loreen Torrone, Vice President	2017
Russell Corby	2019
Gidaly (Gigi) Esparza	2018
Daniel Leonard	2019
Joe Nardini	2018
Robert Onofrietti, Jr	2017
Christopher Raimann	2018
Janet Bell	2019
<b><u>Other Officials</u></b>	
David Healy, Superintendent	
William J. Doering, Business Administrator	
Wendy L. Saxton, Board Secretary	
Matthew K. Varley, Treasurer	
Stephan Leone, Attorney	

Toms River Regional School District  
Toms River, New Jersey

Independent Auditors, Consultants and Advisors

**Independent Auditors**

Wiss & Company, LLP  
354 Eisenhower Parkway  
Livingston, New Jersey 07039

**Attorney**

Carluccio, Leone, Dimon, Doyle & Sacks, LLC  
Stephan Leone  
9 Robbins Street  
Toms River, New Jersey 08753

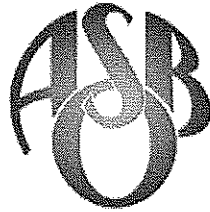
**Official Depositories**

Investors Bank  
130 N. County Line Road  
Jackson, NJ 08753

TD Bank  
1101 Hooper Avenue, CN 2050  
Toms River, New Jersey 08753

Shore Community Bank  
1012 Hooper Avenue  
Toms River, New Jersey 08753

Ocean First Bank  
975 Hooper Avenue  
Toms River, New Jersey 08753



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Toms River Regional Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

## Financial Section

## Independent Auditors' Report

Honorable President and Members  
of the Board of Education  
Toms River Regional School District  
Toms River, New Jersey  
County of Ocean

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Toms River Regional School District, County of Ocean, New Jersey (the "District"), as of and for the year ended June 30, 2017, 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 misstatement, whether due to fraud or error.

#### *Auditors' 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; 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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2017, 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 management's discussion and analysis, schedule of funding progress-post employment healthcare benefit plan, schedule of employer contributions-post employment healthcare benefit plan, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as presented 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 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 District's basic financial statements. The accompanying supplementary information, such as the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of



federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected 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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017 on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting compliance.



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

December 4, 2017  
Livingston, New Jersey

Required Supplementary Information - Part I  
Management's Discussion and Analysis

Toms River Regional School District  
Toms River, New Jersey

Management's Discussion and Analysis  
Year ended June 30, 2017

The discussion and analysis of the Toms River Regional School District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements, notes and additional information in the transmittal letter to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year and the prior year is presented in the MD&A.

**Financial Highlights**

Key financial highlights for fiscal year 2017 are as follows:

- Total net position of the governmental activities and business-type activities are \$15,721,006 at June 30, 2017. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflow of resources and current and outstanding long-term liabilities (Schedule A-1).
- The District transferred unassigned fund balance in June of 2017 into restricted reserves for maintenance and capital in the amount of \$4,000,000 (\$2,000,000 for each reserve).
- The District received \$365,782 in the 2017 fiscal year relating to restitution from a prior year court order.
- The Community Disaster Loan balance was cancelled in the amount of \$5,000,000 in July 2017.
- The District refunded its 2007 remaining outstanding debt resulting in a savings over the next four years in the amount of \$415,028.

## **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the Toms River Regional School District as a financial whole, an entire operating entity. The statements then proceed to offer an increasingly detailed look at specific financial activities. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The three components of the District's basic financial statements are: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The CAFR also contains required and other supplementary information in addition to the basic financial statements.

### **Reporting the School District as a Whole**

#### **Government-wide Statements**

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the entire School district and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs to cite just a few. In the *Statement of Net Position* and the *Statement of Activities*, the District is divided into two distinct types of activities:

- Governmental activities - All of the 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 - Programs reported here are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods and services be financed through user charges.

The government-wide financial statements can be found on pages 29 and 30 of this report.

### **Reporting the District's Funds**

#### **Fund Financial Statements**

Fund financial statements provide detailed information about the District's funds. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. Differences that arise between governmental activities (as reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general, special revenue, and debt service funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31 through 33 of this report.

## **Proprietary Funds**

The District maintains a proprietary fund type in the form of five enterprise funds. The enterprise funds are used to report business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service program, corporate center, day care center, and two athletic complexes which are also considered to be major funds of the District.

The basic enterprise funds financial statements can be found on pages 34 through 36 of this report.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside of the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District utilizes a long established unemployment compensation trust fund to account for contributions from the District and employees to reimburse the State of New Jersey for the cost of approved unemployment compensation claims.

The District uses separate and distinct agency funds to account for resources held for student activity groups and class funds as well as for payroll related liabilities. The basic fiduciary fund financial statements can be found on pages 37 and 38 of this report.

## Notes to the Basic 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. The notes to the basic financial statements can be found on pages 39 to 79 of this report.

### The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of varied 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 following table provides a summary of the District's net position at June 30, 2017 and June 30, 2016.

### Toms River Regional School District Net Position June 30,

	2017			2016		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 22,163,681	\$ 2,906,367	\$ 25,070,048	\$ 21,369,434	\$ 2,471,046	\$ 23,840,480
Capital assets, net	155,638,797	8,810,878	164,449,675	160,657,664	9,079,296	169,736,960
Total assets	177,802,478	11,717,245	189,519,723	182,027,098	11,550,342	193,577,440
<b>Deferred outflows of resources:</b>						
Deferred loss on refunding of debt	2,871,087		2,871,087	3,083,357		3,083,357
Pension deferrals	36,939,417		36,939,417	17,513,319		17,513,319
Total deferred outflows of resources	39,810,504		39,810,504	20,596,676		20,596,676
<b>Liabilities:</b>						
Current liabilities	27,661,073	217,858	27,878,931	29,867,886	241,552	30,109,438
Net pension liability	120,038,158		120,038,158	90,811,122		90,811,122
Long-term liabilities	63,988,366	130,127	64,118,493	71,383,341	136,729	71,520,070
Total liabilities	211,687,597	347,985	212,035,582	192,062,349	378,281	192,440,630
<b>Deferred inflow of resources:</b>						
Pension deferrals	1,573,639		1,573,639	3,456,728		3,456,728
<b>Net position:</b>						
Net investment in capital assets	100,138,595	8,810,878	108,949,473	104,334,891	9,079,296	113,414,187
Restricted for excess surplus-current year	1,573,524		1,573,524	159,120		159,120
Restricted for excess surplus-prior year	159,120		159,120	1,062,691		1,062,691
Restricted for capital reserve	5,847,517		5,847,517	4,419,305		4,419,305
Restricted for maintenance reserve	6,687,720		6,687,720	8,147,733		8,147,733
Restricted for emergency reserve	707,415		707,415	704,965		704,965
Unrestricted (deficit)	(110,762,145)	2,558,382	(108,203,763)	(111,723,959)	2,092,765	(109,631,194)
Total net position	\$ 4,351,746	\$ 11,369,260	\$ 15,721,006	\$ 7,104,697	\$ 11,172,061	\$ 18,276,758

Unrestricted deficit decreased \$961,814 relating to governmental activities as compared to the prior year, mainly as a result of current year positive operating results.

The largest portion of the District's net position is its net investment in capital assets (e.g., land and land improvements, buildings and building improvements and machinery and equipment) less any related debt (general obligation bonds, capital leases and notes payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position increased \$481,482 mainly due to a net increase to excess surplus in the amount of \$510,833.

Current and other assets increased mainly due to increases to restricted cash for capital and maintenance reserves offset by the decrease in cash and cash equivalents.

Capital assets, net decreased as current year depreciation expense and net disposals and transfers exceeded current year capital asset additions.

Long-term liabilities decreased mainly due to the cancellation of the Community Disaster Loan liability in the amount of \$5,000,000.

The net pension liability recorded as of June 30, 2017 is the result of the District following Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68 whereby the unfunded net pension liability continues to grow as the State of New Jersey continues to under-fund the pension system.

**Government-wide activities.** The key elements of the District's changes in net position for the years ended June 30, 2017 and 2016 are as follows:

**Toms River Regional School District  
Changes in Net Position  
Year ended June 30,**

	2017			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 1,524,208	\$ 4,602,364	\$ 6,126,572	\$ 1,228,039	\$ 4,889,736	\$ 6,117,775
Operating grants and contributions	7,941,100	2,311,619	10,252,719	7,468,573	2,414,690	9,883,263
Capital grants and contributions	78,082		78,082	15,089		15,089
<b>General Revenues:</b>						
Property Taxes	150,609,021		150,609,021	143,571,709		143,571,709
Federal and state aid not restricted to specific purposes	138,865,669		138,865,669	126,812,212		126,812,212
Earning on Investments	28,209	975	29,184	4,788	584	5,372
Miscellaneous	1,065,489		1,065,489	1,246,460		1,246,460
<b>Total Revenues</b>	<b>300,111,778</b>	<b>6,914,958</b>	<b>307,026,736</b>	<b>280,346,870</b>	<b>7,305,010</b>	<b>287,651,880</b>
<b>Expenses:</b>						
Instruction and support services	306,651,989	6,605,479	313,257,468	283,070,460	7,028,513	290,098,973
Special schools	64,598		64,598	58,827		58,827
Cost of issuance	35,641		35,641			
Interest on long-term debt	1,590,563		1,590,563	2,205,859		2,205,859
<b>Total expenses</b>	<b>308,342,791</b>	<b>6,605,479</b>	<b>314,948,270</b>	<b>285,335,146</b>	<b>7,028,513</b>	<b>292,363,659</b>
Change in net position before transfers, special items, and extraordinary item	(8,231,013)	309,479	(7,921,534)	(4,988,276)	276,497	(4,711,779)
Transfers	112,280	(112,280)	-	112,280	(112,280)	-
Special item	5,000,000		5,000,000			
Extraordinary Item	365,782		365,782	899,703		899,703
<b>Change in Net Position</b>	<b>(2,752,951)</b>	<b>197,199</b>	<b>(2,555,752)</b>	<b>(3,976,293)</b>	<b>164,217</b>	<b>(3,812,076)</b>
Net Position-beginning	7,104,697	11,172,061	18,276,758	11,080,990	11,007,844	22,088,834
<b>Net Position-ending</b>	<b>\$ 4,351,746</b>	<b>\$ 11,369,260</b>	<b>\$ 15,721,006</b>	<b>\$ 7,104,697</b>	<b>\$ 11,172,061</b>	<b>\$ 18,276,758</b>



Tax levy increased due to the increase in the taxable ratables and the tax rate. The purpose of the Community Disaster Loan was to temporarily provide aid to the District until they are able to recover from the destruction caused by Super Storm Sandy. As residents rebuilt their homes and re-established themselves, the levy has increased.

Federal and State aid not restricted to specific purposes increased mainly due to an increase in the state source revenues, specifically from extraordinary aid and on-behalf TPAF pension, disability, and medical contributions. Under GASB Statements 68 and 71, the District recorded the on-behalf pension revenue for contributions incurred by the State as calculated by an actuary, which resulted in an additional \$42,875,344 in state aid, recorded at the government-wide financial statements. In addition, there was one new state grant awarded to the District as part of General State Aid (Professional Learning, amounting to \$154,220).

Instruction and support services expenses increased as a result of the District implementing new curriculums and as a result, there was an increase in various instruction line items, such as general supplies and salaries. However, the majority of the increase is the result of following GASB Statements 68 and 71 as mentioned above that resulted in the District recording additional on-behalf pension payments in the amount of \$42,875,344.

The extraordinary item is restitution the District received relating to a prior year court order and the special item relates to the forgiveness of the Community Disaster Loan liability.

### **Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for District operations. Property taxes made up approximately 50 percent of revenues for governmental activities in the Toms River Regional School District for fiscal year 2017. Federal, state, and local grants and aid accounted for another 40 percent of revenue. The balance of revenues generated from tuition and transportation revenue, investment income and other miscellaneous unrestricted sources comprised approximately 1 percent of the total governmental revenues.

The total cost of all programs and services was \$308,342,791. Instruction comprised 62.6 percent of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. It is important to note that additional instructional costs are included with support services, which is in conformity with New Jersey Budget Guidelines.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

### **Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services, day care tuition, ticket sales, rental income, and federal and state reimbursements. Charges for services comprised approximately 67 percent of total revenue. This represents revenue recognized in the amount of \$2,165,766, or 47 percent, for amounts paid by patrons for daily food service. Day care tuition revenue was \$687,233, or 15 percent, of operating revenue and represents payments for daycare tuition. Rental income for the Corporate Center's rental agreements was \$890,646, or 19 percent, of operating revenue that was recognized from renting office suites at the property located at 1144 Hooper Avenue, Toms River, N.J. The Bennett Complex and Pinebelt Arena recognized \$451,357 and \$406,743, respectively, or 10 and 9 percent of total operating revenue for various events and activities at the respective complexes. Additionally, federal and state reimbursements for meals, including payments for free and reduced-priced lunch and breakfast and donated commodities amounted to \$2,311,619 in non-operating revenue.

**Financial Analysis of the District’s Funds**

**Governmental Funds**

All governmental funds are accounted for using the modified accrual basis of accounting. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District’s financing requirements.

*General Fund.* The general fund is the main operating fund of the District. At the end of the current fiscal year, the total fund balance was \$16,993,466, including funds restricted for capital, maintenance and emergency reserves in the amount of \$13,242,652. \$1,573,524 is restricted for current year excess surplus and \$159,120 of prior year excess surplus has been designated for subsequent year’s expenditures. The remaining amount of \$1,040,880 represents the balance designated for subsequent year’s expenditures and \$2,619,605 was designated for encumbrances offset by a general fund unassigned deficit of \$1,642,315 (unassigned fund balance netted with the delayed state aid payments) resulting in the \$977,290 balance assigned to other purposes.

*Special Revenue Fund.* The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year increased by \$535,520 attributable mostly to an increase in federal and local grants expended. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$3,886,599.

*Debt Service Fund.* The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$84,208, which is attributable to the funds generated as result of prior and current year refundings of debt. During the year ended June 30, 2017, the District refunded \$5,890,000 of its 2007 outstanding debt.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The schedule below presents a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2016</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 153,587,401	59.7%	\$ 7,395,514	5.1%
State sources	96,326,134	37.5	3,513,809	3.8
Federal sources	7,297,877	2.8	(7,047,242)	(49.1)
<b>Total</b>	<u>\$ 257,211,412</u>	<u>100.0%</u>	<u>\$ 3,862,081</u>	<u>1.5%</u>

Local sources increased primarily relating to the increase in the tax levy. In the prior year, the District had a reduction in tax ratables that resulted from Super Storm Sandy, but as the District recovered from these losses, the tax levy increased.

State sources increased due mainly to the increase in the on-behalf pension, disability, and medical contributions that were made by the State in fiscal year 2017.

Federal sources decreased primarily due to the receipt of the federally funded Community Development Block Grant fund in the amount of \$7,342,361 in the prior year (round 3) and \$0 in the current year as last year was the last round of funding. These funds were used to offset the reduction of the local school tax levy in order to maintain essential services.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2016</b>	<b>Percent of Increase (Decrease)</b>
Current expenditures:				
Instruction	\$ 98,785,657	38.2%	\$ 2,325,396	2.4 %
Undistributed expenditures	149,164,300	57.7	2,545,245	1.7
Special schools	32,276	0.0	1,107	3.6
Capital outlay	4,024,538	1.6	(44,699)	(1.1)
Debt service:				
Principal	4,672,834	1.8	190,000	4.2
Interest	1,746,839	0.7	(281,813)	(13.9)
Cost of issuance	35,641	0.0	35,641	100.0
<b>Total</b>	<b>\$258,462,085</b>	<b>100.0%</b>	<b>\$ 4,770,877</b>	<b>1.9%</b>

Current expenditures reflect an overall increase attributable to normal operational increases in the areas of salaries, health benefits, textbooks and supplies, as the District engaged in various curriculum changes and improvements during the year. Interest expenditures were reduced due to the payment of principal and current year debt refunding.

### **General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey statutes. The most significant budgeted fund is the General Fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts. None of these transfers were significant.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the actual by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

### **Revenues**

- Actual tuition from other LEAs within the state was in excess of the modified budget by \$694,161 or 164% as a result of District efforts with attorneys to collect past tuitions and settlements for past tuitions owed.

- Actual extraordinary aid was in excess of the modified budget by \$718,558 or 96% as a result of the fact that the final award amount is calculated by the State of New Jersey and is not required to be budgeted for.

### **Expenditures**

- The actual amounts expended for capital outlay-facilities acquisition and construction services for architectural/engineering services were less than the final budget by approximately \$624,233 or 91% as a result of approximately \$560,000 in encumbrances due to timing.
- The actual amounts expended for capital outlay-facilities acquisition and construction services for construction services were less than the final budget by approximately \$580,464 or 38% as a result of approximately \$400,000 in encumbrances due to timing.

### **Capital Assets**

At the end of the fiscal year 2017, the District had \$164,449,675 invested in land, land improvements, building and building improvements and machinery and equipment, net of accumulated depreciation. The following presents a comparison of capital assets, net of depreciation, held at June 30, 2017 and 2016:

	<b>Capital Assets (Net of Depreciation)</b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 5,368,923	\$ 5,368,923	\$ 1,421,600	\$ 1,421,600
Land improvements	5,936,141	6,931,248	117,853	140,880
Building and building improvements	139,468,274	144,856,042	6,872,582	7,063,375
Machinery and equipment	4,865,459	3,501,451	398,843	453,441
<b>Total</b>	<b>\$155,638,797</b>	<b>\$160,657,664</b>	<b>\$ 8,810,878</b>	<b>\$ 9,079,296</b>

For more detailed information, please refer to Note 4 to the basic financial statements.

### **Debt Administration and Long-Term Liabilities**

At June 30, 2017, the District had \$71,953,263 of outstanding debt and other long-term liabilities, of which \$7,964,897 was classified as the current portion.

At June 30, 2017 and 2016, the District's long-term liabilities consisted of:

	<b>2017</b>	<b>2016</b>
Bonds payable	\$49,080,000	\$53,405,000
Unamortized premium on bonds	1,554,395	1,693,399
Notes payable	1,097,004	1,279,838
Deferred pension obligation	842,878	904,085
Community disaster loan	-	5,000,000
Capital leases payable	6,639,890	3,027,893
Compensated absences payable	12,739,096	12,708,918
Net pension liability	120,038,158	90,811,122
<b>Total long-term liabilities</b>	<b>\$191,991,421</b>	<b>\$168,830,255</b>

The District refunded its 2007 remaining outstanding debt resulting in a savings over the next four years in the amount of \$415,028. The Community Disaster Loan balance was cancelled in the amount of \$5,000,000 in July 2017. For more detailed information, please refer to Note 5 to the basic financial statements.

### **For the Future**

The fiscal outlook in the near term is a concern for most school districts. The District is subject to the tax cap limitation of 2 percent. This limit to raise additional revenue is combined with the District issue to recognize tax revenue from the lost ratables that occurred as a direct result of Super Storm Sandy. To continue essential government functions, the District created cost saving measures such as implementing several energy conservation plans and has developed certain budget constraints, including addressing non-essential costs. The Toms River Regional School District will continue to employ prudent and responsible fiscal practices to maintain its sound financial condition.

On July 4, 2017, the New Jersey State budget was signed, which included revised state aid for school districts. Most districts in the State received an increase in state aid, however, certain districts received a decrease. Toms River Regional School District's revised aid allocation when the budget was signed resulted in a decrease in State aid of \$1,366,845.

The District filed an application to have the reduction in aid reversed. On October 16, 2017, the District received notification from the State that their aid was restored back to the previous projected allocation of \$68,342,239. As a result, the District does not need to take any further action to revise the 2017/18 budget to adjust for the State aid reduction as the reduction was reversed.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the resources entrusted to it. If you have questions about this report or need additional information, contact Mr. William Doering, Business Administrator at Toms River Regional School District, 1144 Hooper Avenue, Toms River, NJ 08753. Please visit our website at <http://www.trschools.com>.

# Basic Financial Statements

# Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2017.

## Toms River Regional School District

## Statement of Net Position

June 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,081,755	\$ 2,418,063	\$ 3,499,818
Investments	130,314		130,314
Advance deposit	685,975		685,975
Accounts receivable	3,549,740	248,849	3,798,589
Internal balances	25,105	(25,105)	-
Inventories		123,236	123,236
Other assets	451,406	141,324	592,730
Restricted assets:			
Cash and cash equivalents	13,242,652		13,242,652
Cash held with fiscal agent	2,996,734		2,996,734
Capital assets, non-depreciable	5,368,923	1,421,600	6,790,523
Capital assets, depreciable, net	150,269,874	7,389,278	157,659,152
Total assets	<u>177,802,478</u>	<u>11,717,245</u>	<u>189,519,723</u>
<b>Deferred outflows of resources</b>			
Deferred loss on refunding of debt	2,871,087		2,871,087
Pension deferrals	36,939,417		36,939,417
Total deferred outflows of resources	<u>39,810,504</u>		<u>39,810,504</u>
<b>Liabilities</b>			
Accounts payable	4,812,172	4,137	4,816,309
Intergovernmental accounts payable:			
State	117,892		117,892
Accrued interest payable	714,258		714,258
Accrued liability for insurance claims	13,748,253		13,748,253
Accrued salaries and wages		17,259	17,259
Unearned revenue	303,601	118,596	422,197
Net pension liability	120,038,158		120,038,158
Other liabilities		77,866	77,866
Current portion of long-term obligations	7,964,897		7,964,897
Noncurrent portion of long-term obligations	63,988,366	130,127	64,118,493
Total liabilities	<u>211,687,597</u>	<u>347,985</u>	<u>212,035,582</u>
<b>Deferred Inflow of Resources</b>			
Pension deferrals	<u>1,573,639</u>		<u>1,573,639</u>
<b>Net Position</b>			
Net investment in capital assets	100,138,595	8,810,878	108,949,473
Restricted for:			
Excess Surplus-Current Year	1,573,524		1,573,524
Excess Surplus - prior year designated for subsequent years expenditures	159,120		159,120
Capital Reserve	5,847,517		5,847,517
Maintenance Reserve	6,687,720		6,687,720
Emergency Reserve	707,415		707,415
Unrestricted (deficit)	(110,762,145)	2,558,382	(108,203,763)
Total net position	<u>\$ 4,351,746</u>	<u>\$ 11,369,260</u>	<u>\$ 15,721,006</u>



## Toms River Regional School District

## Statement of Activities

Year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>							
Instruction	\$ 192,945,040	\$ 1,457,109	\$ 6,105,280		\$ (185,382,651)		\$ (185,382,651)
Support services							
Attendance/social work	344,891				(344,891)		(344,891)
Health services	5,626,816				(5,626,816)		(5,626,816)
Other support services	22,588,359		1,835,820		(20,752,539)		(20,752,539)
Improvement of instruction	5,797,332				(5,797,332)		(5,797,332)
School library	3,550,341				(3,550,341)		(3,550,341)
Instructional staff training	201,208				(201,208)		(201,208)
General administration	5,367,878				(5,367,878)		(5,367,878)
School administration	15,820,972				(15,820,972)		(15,820,972)
Central Services	4,315,456				(4,315,456)		(4,315,456)
Administrative information technology	2,775,569			\$ 78,082	(2,697,487)		(2,697,487)
Required maintenance	7,030,422				(7,030,422)		(7,030,422)
Operation of plant	18,130,099				(18,130,099)		(18,130,099)
Security	2,263,093				(2,263,093)		(2,263,093)
Student transportation	19,894,513	67,099			(19,827,414)		(19,827,414)
Special schools	64,598				(64,598)		(64,598)
Cost of issuance	35,641				(35,641)		(35,641)
Interest on long-term debt	1,590,563				(1,590,563)		(1,590,563)
<b>Total governmental activities</b>	<b>308,342,791</b>	<b>1,524,208</b>	<b>7,941,100</b>	<b>78,082</b>	<b>(298,799,401)</b>		<b>(298,799,401)</b>
<b>Business-type activities</b>							
Food Service	4,344,472	2,165,766	2,311,619			\$ 132,913	132,913
Corporate Center	829,536	891,265				61,729	61,729
Day Care Center	706,731	687,233				(19,498)	(19,498)
Bennett Complex	342,781	451,357				108,576	108,576
Pine Belt Arena	381,959	406,743				24,784	24,784
<b>Total business-type activities</b>	<b>6,605,479</b>	<b>4,602,364</b>	<b>2,311,619</b>			<b>308,504</b>	<b>308,504</b>
<b>Total primary government</b>	<b>\$ 314,948,270</b>	<b>\$ 6,126,572</b>	<b>\$ 10,252,719</b>	<b>\$ 78,082</b>	<b>(298,799,401)</b>	<b>308,504</b>	<b>(298,490,897)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes					144,911,347		144,911,347
Property taxes, levied for debt service					5,697,674		5,697,674
State Sources					138,370,753		138,370,753
Federal Sources					494,916		494,916
Investment Income					28,209	975	29,184
Miscellaneous Income					1,065,489		1,065,489
Transfers					112,280	(112,280)	-
<b>Total general revenues and transfers</b>					<b>290,680,668</b>	<b>(111,305)</b>	<b>290,569,363</b>
Change in net position before special item and extraordinary item					(8,118,733)	197,199	(7,921,534)
Special item- cancellation of Community Disaster Loan					5,000,000		5,000,000
Extraordinary item-restitution funds					365,782		365,782
<b>Change in net position</b>					<b>(2,752,951)</b>	<b>197,199</b>	<b>(2,555,752)</b>
Net position-beginning					7,104,697	11,172,061	18,276,758
<b>Net position-ending</b>					<b>\$ 4,351,746</b>	<b>\$ 11,369,260</b>	<b>\$ 15,721,006</b>

# Fund Financial Statements

# Governmental Funds

Toms River Regional School District  
Governmental Funds

Balance Sheet

June 30, 2017

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ 997,547		\$ 84,208	\$ 1,081,755
Accounts receivable:				
State	1,805,482	\$ 7,551		1,813,033
Federal		1,132,149		1,132,149
Other	599,732	4,826		604,558
Other assets	685,975			685,975
Investments	130,314			130,314
Interfund receivable	264,589			264,589
Restricted assets:				
Cash and cash equivalents	13,242,652			13,242,652
Cash held with fiscal agent	2,996,734			2,996,734
<b>Total assets</b>	<u>\$ 20,723,025</u>	<u>\$ 1,144,526</u>	<u>\$ 84,208</u>	<u>\$ 21,951,759</u>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 732,825	\$ 483,549		\$ 1,216,374
Intergovernmental accounts payable:				
State		117,892		117,892
Interfund payable		239,484		239,484
Other liabilities	2,996,734			2,996,734
Unearned revenue		303,601		303,601
<b>Total liabilities</b>	<u>3,729,559</u>	<u>1,144,526</u>		<u>4,874,085</u>
Fund balances:				
Restricted for:				
Excess Surplus - current year	1,573,524			1,573,524
Excess Surplus - prior year designated for subsequent years expenditures	159,120			159,120
Capital reserve	5,847,517			5,847,517
Maintenance reserve	6,687,720			6,687,720
Emergency reserve	707,415			707,415
Debt service			\$ 84,208	84,208
Assigned to:				
Designated for subsequent year's expenditures	1,020,251			1,020,251
Designated for subsequent year's expenditures - (SEMI ARRA)	20,629			20,629
Other purposes	977,290			977,290
<b>Total fund balances</b>	<u>16,993,466</u>		<u>84,208</u>	<u>17,077,674</u>
<b>Total liabilities and fund balances</b>	<u>\$ 20,723,025</u>	<u>\$ 1,144,526</u>	<u>\$ 84,208</u>	

Amounts reported for *governmental activities* in the statement of net position (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 \$374,533,267 and the accumulated depreciation is \$218,894,470.	155,638,797
Other asset is not due to be received in the current period and therefore is not reported as an asset in the funds.	451,406
Accrued interest payable on debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(714,258)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	2,871,087
Accrued liability for insurance claims not due and payable in the current period and therefore is not reported as a liability in the funds.	(13,748,253)
Deferred pension costs in governmental activities are not financial resources (uses) and therefore are not reported in the funds.	35,365,778
Accrued pension contributions for the June 30, 2017 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(3,595,798)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(120,038,158)
Other liabilities included in the governmental funds represent a lease that was entered into prior to June 30, 2017 and is included as a liability in the long-term liability note below.	2,996,734
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(71,953,263)
Net position of governmental activities	<u>\$ 4,351,746</u>

Toms River Regional School District  
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2017

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<b>Revenues</b>				
Local sources:				
Local tax levy	\$ 144,911,347		\$ 5,697,674	\$ 150,609,021
Interest on investments	28,209			28,209
Transportation fees from other LEAs within the State	67,099			67,099
Tuition	1,457,109			1,457,109
Rental Income	127,076			127,076
Solar Credits	365,735			365,735
Miscellaneous	544,490	\$ 385,496	3,166	933,152
Total revenues—local sources	<u>147,501,065</u>	<u>385,496</u>	<u>5,700,840</u>	<u>153,587,401</u>
State sources	95,145,161	830,725	350,248	96,326,134
Federal sources	494,916	6,802,961		7,297,877
Total revenues	<u>243,141,142</u>	<u>8,019,182</u>	<u>6,051,088</u>	<u>257,211,412</u>
<b>Expenditures</b>				
Current:				
Instruction	92,680,377	6,105,280		98,785,657
Undistributed:				
Instruction	5,135,651			5,135,651
Attendance/social work	166,470			166,470
Health services	3,061,179			3,061,179
Guidance services	3,930,305			3,930,305
Speech, OT, PT and related services	3,244,752			3,244,752
Child study teams / special education	3,591,135	1,835,820		5,426,955
Improvement of instruction	2,813,931			2,813,931
School library	1,761,712			1,761,712
Instructional staff training	175,006			175,006
General administration	3,877,107			3,877,107
School administration	7,730,391			7,730,391
Central services	2,146,758			2,146,758
Administrative information technology	1,551,109			1,551,109
Required maintenance	3,272,455			3,272,455
Operation of plant	10,755,934			10,755,934
Care and upkeep of grounds	1,316,803			1,316,803
Security	1,105,115			1,105,115
Student transportation	11,575,212			11,575,212
Personnel services-				
unallocated employee benefits	54,775,718			54,775,718
On-behalf payments	25,341,737			25,341,737
Special Schools	32,276			32,276
Capital outlay	3,946,456	78,082		4,024,538
Debt service payment - principal			4,672,834	4,672,834
Debt service payment - interest			1,746,839	1,746,839
Cost of issuance			35,641	35,641
Total expenditures	<u>243,987,589</u>	<u>8,019,182</u>	<u>6,455,314</u>	<u>258,462,085</u>
(Deficiency) of Revenues (Under) Expenditures	(846,447)	-	(404,226)	(1,250,673)
Other financing sources (uses):				
Transfers in	112,280		455,910	568,190
Transfers out	(455,910)			(455,910)
Refunding bonds issued			6,055,000	6,055,000
Payment to refunded bond escrow agent			(6,022,525)	(6,022,525)
Non-Federal Cost Share Reimbursement Program proceeds				
funded by Community Development Block Grant	25,022			25,022
Capital Leases (non-budgeted)	2,206,838			2,206,838
Total other financing sources (uses)	<u>1,888,230</u>		<u>488,385</u>	<u>2,376,615</u>
Extraordinary Item - restitution funds	365,782			365,782
Net change in fund balances	1,407,565	-	84,159	1,491,724
Fund balances, July 1	15,585,901	-	49	15,585,950
Fund balances, June 30	<u>\$ 16,993,466</u>	<u>\$ -</u>	<u>\$ 84,208</u>	<u>\$ 17,077,674</u>

The reconciliation of the fund balances of governmental funds to the net position of governmental activities on the statement of activities is presented in an accompanying schedule (B-3).

Toms River Regional School District  
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance to the Statement of Activities

Year ended June 30, 2017

<b>Total net change in fund balances - governmental funds (B-2)</b>		<b>\$ 1,491,724</b>
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 and disposals. This is the amount by which depreciation expense exceeded capital asset additions and disposals in the period.		
	Depreciation expense	\$ (7,533,805)
	Capital asset additions	2,530,914
	Capital asset disposals and loss on disposals, net	<u>(15,976)</u> (5,018,867)
Repayments of bonds, loan, notes and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and are not reported in the statement of net position.		
	Serial bonds	10,380,000
	Issuance of refunding bonds	(6,055,000)
	Capital lease proceeds	(5,105,000)
	Obligations under capital leases	1,493,003
	Deferred pension obligation	61,207
	Retirements of note principal	<u>182,834</u> 957,044
Expenses reported in the statement of activities that do not require the use of current financial resources, such as the obligation for postemployment benefits other than pensions, are not reported as expenditures in governmental funds.		
		118,235
Claims that have been incurred but not yet reported at June 30 are liabilities on the statement of net position, but are not reflected in the governmental funds. This amount reflects the change in the liability balances at June 30, 2017.		
		(643,422)
In the current fiscal year, the Community Disaster Loan was forgiven by the grantor. This is reported as a special item in the statement of activities.		
		5,000,000
In the current year, the District entered into capital lease agreements prior to the end of the fiscal year in which the lease proceeds were unspent and recorded as other liabilities in the general fund.		
		2,996,734
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount reflects the change from the prior year.		
		362,067
Governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		
	Amortization of Premium on Bonds	139,004
	Deferred Interest Costs on refunding bonds	132,525
	Amortization on Deferred Interest Costs	<u>(344,795)</u> (73,266)
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). The amount presented is the net change.		
		(30,178)
Certain expenses 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		
	Pension expense	(7,913,022)
<b>Change in net position of governmental activities (A-2)</b>		<u><u>\$ (2,752,951)</u></u>

# Enterprise Funds

Toms River Regional School District  
Enterprise Funds

Statement of Net Position

June 30, 2017

	Business-Type Activities					Totals
	Major Enterprise Funds					
Assets	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
<b>Current assets:</b>						
Cash and cash equivalents	\$ 177,104	\$ 997,452		\$ 846,831	\$ 396,676	\$ 2,418,063
Accounts receivable:						
State	6,230					6,230
Federal	231,147					231,147
Other	11,208		\$ 264			11,472
Inventories	123,236					123,236
Other assets		121,324	20,000			141,324
<b>Total assets</b>	<b>548,925</b>	<b>1,118,776</b>	<b>20,264</b>	<b>846,831</b>	<b>396,676</b>	<b>2,931,472</b>
<b>Non-current assets:</b>						
Capital assets, non-depreciable		1,421,600				1,421,600
Capital assets, depreciable, net	264,868	4,197,850	12,589	619,009	2,294,962	7,389,278
<b>Total assets</b>	<b>813,793</b>	<b>6,738,226</b>	<b>32,853</b>	<b>1,465,840</b>	<b>2,691,638</b>	<b>11,742,350</b>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	490	3,647				4,137
Accrued salaries and wages	9,558		6,457		1,244	17,259
Unearned revenue	97,362	20,000			1,234	118,596
Security deposits		77,866				77,866
Interfund payable			25,105			25,105
<b>Total current liabilities</b>	<b>107,410</b>	<b>101,513</b>	<b>31,562</b>		<b>2,478</b>	<b>242,963</b>
<b>Non-current liabilities:</b>						
Compensated absences payable	130,127					130,127
<b>Total liabilities</b>	<b>237,537</b>	<b>101,513</b>	<b>31,562</b>		<b>2,478</b>	<b>373,090</b>
<b>Net position</b>						
Net investment in capital assets	264,868	5,619,450	12,589	619,009	2,294,962	8,810,878
Unrestricted (deficit)	311,388	1,017,263	(11,298)	846,831	394,198	2,558,382
<b>Total net position</b>	<b>\$ 576,256</b>	<b>\$ 6,636,713</b>	<b>\$ 1,291</b>	<b>\$ 1,465,840</b>	<b>\$ 2,689,160</b>	<b>\$ 11,369,260</b>



Toms River Regional School District  
Enterprise Funds

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2017

	Business Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
Operating revenues:						
Local sources:						
Daily food sales-reimbursable programs	\$ 933,223					\$ 933,223
Daily food sales-non-reimbursable programs	1,232,349					1,232,349
Tuition			\$ 687,233			687,233
Rental income		\$ 890,646		\$ 314,798	\$ 116,200	1,321,644
Sales				131,745	213,831	345,576
Fees collected					76,712	76,712
Miscellaneous	194	619		4,814		5,627
Total operating revenues	<u>2,165,766</u>	<u>891,265</u>	<u>687,233</u>	<u>451,357</u>	<u>406,743</u>	<u>4,602,364</u>
Operating expenses:						
Salaries	2,008,533		447,770	181,041	101,464	2,738,808
Employee benefits	261,541		70,875	13,850	15,311	361,577
Repairs and maintenance		124,405		10,863	30,737	166,005
Supplies and materials	89,300	51	57,747	40,290	77,004	264,392
Cost of sales - reimbursable programs	1,306,017					1,306,017
Cost of sales - non-reimbursable programs	459,239					459,239
Depreciation	53,851	176,817	2,009	25,430	79,925	338,032
Amortization		37,636				37,636
Utilities	49,722	243,825		31,795	13,613	338,955
Real estate taxes		142,557				142,557
Rental	34,290		127,015			161,305
Management services		40,500				40,500
Tenant improvements		4,988				4,988
Insurance	10,892			1,970	9,846	22,708
Other purchased services	45,590	51,561		35,266	44,885	177,302
Miscellaneous	25,497	7,196		2,276	9,174	44,143
Total operating expenses	<u>4,344,472</u>	<u>829,536</u>	<u>705,416</u>	<u>342,781</u>	<u>381,959</u>	<u>6,604,164</u>
Operating (loss) income	(2,178,706)	61,729	(18,183)	108,576	24,784	(2,001,800)
Non-operating revenues (expenses):						
State sources:						
School lunch program	40,580					40,580
Federal sources:						
School breakfast program	431,326					431,326
School lunch program	1,478,956					1,478,956
Healthy Hunger-Free Kids Act (HHFKA)	45,238					45,238
Food donation program	315,519					315,519
Loss on disposal of capital assets			(1,315)			(1,315)
Interest revenue	51	874			50	975
Total nonoperating revenues (expenses)	<u>2,311,670</u>	<u>874</u>	<u>(1,315)</u>		<u>50</u>	<u>2,311,279</u>
Income (loss) before transfers	132,964	62,603	(19,498)	108,576	24,834	309,479
Transfers out				(20,972)	(91,308)	(112,280)
Change in net position	132,964	62,603	(19,498)	87,604	(66,474)	197,199
Total net position, beginning	443,292	6,574,110	20,789	1,378,236	2,755,634	11,172,061
Total net position, end	<u>\$ 576,256</u>	<u>\$ 6,636,713</u>	<u>\$ 1,291</u>	<u>\$ 1,465,840</u>	<u>\$ 2,689,160</u>	<u>\$ 11,369,260</u>

Toms River Regional School District  
Enterprise Funds

Statement of Cash Flows

Year ended June 30, 2017

	Business Type Activities					Totals
	Major Enterprise Funds					
	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
<b>Cash flows from operating activities</b>						
Receipts from customers	\$ 2,163,362	\$ 799,378	\$ 667,715	\$ 451,357	\$ 407,977	\$ 4,489,789
Payments to employees	(2,015,135)		(526,312)	(194,891)	(115,634)	(2,851,972)
Payments for employee benefits	(261,541)					(261,541)
Payments for rent	(34,290)		(127,015)			(161,305)
Payments to suppliers	(2,026,292)	(637,532)	(57,747)	(122,460)	(185,259)	(3,029,290)
Net cash (used in) provided by operating activities	<u>(2,173,896)</u>	<u>161,846</u>	<u>(43,359)</u>	<u>134,006</u>	<u>107,084</u>	<u>(1,814,319)</u>
<b>Cash flows from investing activity</b>						
Interest received	51	874			50	975
Net cash provided by investing activity	<u>51</u>	<u>874</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>975</u>
<b>Cash flows from capital and related financing activity</b>						
Purchase of capital assets		(24,440)		(24,201)	(22,288)	(70,929)
Net cash (used in) capital and related financing activity	<u>-</u>	<u>(24,440)</u>	<u>-</u>	<u>(24,201)</u>	<u>(22,288)</u>	<u>(70,929)</u>
<b>Cash flows from noncapital financing activities</b>						
Cash received from state and federal sources	2,541,416					2,541,416
Cash (disbursed) received (to) from other funds	(289,757)		25,105	(20,972)	(91,308)	(376,932)
Net cash provided by (used in) noncapital financing activities	<u>2,251,659</u>		<u>25,105</u>	<u>(20,972)</u>	<u>(91,308)</u>	<u>2,164,484</u>
Net increase (decrease) in cash and cash equivalents	77,814	138,280	(18,254)	88,833	(6,462)	280,211
Cash and cash equivalents, beginning of year	99,290	859,172	18,254	757,998	403,138	2,137,852
Cash and cash equivalents, end of year	<u>\$ 177,104</u>	<u>\$ 997,452</u>	<u>\$ -</u>	<u>\$ 846,831</u>	<u>\$ 396,676</u>	<u>\$ 2,418,063</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities</b>						
Operating (loss) income	\$ (2,178,706)	\$ 61,729	\$ (18,183)	\$ 108,576	\$ 24,784	\$ (2,001,800)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	53,851	176,817	2,009	25,430	79,925	338,032
Amortization expense		37,636				37,636
Change in assets and liabilities:						
Decrease in intergovernmental receivable			482			482
Decrease in accounts receivable	(4,265)					(4,265)
(Increase) in inventory	(42,366)					(42,366)
(Increase) in other assets		(91,742)	(20,000)			(111,742)
Increase (decrease) in accounts payable	490	(22,449)				(21,959)
Increase (decrease) in unearned revenue	1,861	(9,753)			1,234	(6,658)
(Decrease) in compensated absences payable	(6,602)					(6,602)
Increase in other liabilities		9,608				9,608
Increase (decrease) in accrued salaries	1,841		(7,667)		1,141	(4,685)
Net cash (used in) provided by operating activities	<u>\$ (2,173,896)</u>	<u>\$ 161,846</u>	<u>\$ (43,359)</u>	<u>\$ 134,006</u>	<u>\$ 107,084</u>	<u>\$ (1,814,319)</u>

**Noncash noncapital financing activities**

The District received \$319,363 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2017.

# Fiduciary Funds

Toms River Regional School District  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2017

	<b>Private- Purpose Scholarship Trust Funds</b>	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 52,700	\$ 5,682,376	\$ 7,415,775
Total assets	52,700	5,682,376	7,415,775
<b>Liabilities</b>			
Payroll deductions and withholdings payable			\$ 6,603,264
Accounts payable		67,181	
Due to class funds			42,537
Due to student groups			769,974
Total liabilities		67,181	\$ 7,415,775
<b>Net position</b>			
Held in trust for unemployment benefits		\$ 5,615,195	
Held in trust for scholarships	\$ 52,700		

Toms River Regional School District  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2017

	<b>Private- Purpose Scholarship Trust Funds</b>	<b>Unemployment Compensation Trust Fund</b>
<b>Additions</b>		
Interest received	\$ 372	\$ 73
Contributions-employees		397,310
Donations	14,876	
Total additions	<u>15,248</u>	<u>397,383</u>
<b>Deductions</b>		
Scholarships awarded	19,700	
Unemployment claims		309,752
Total deductions	<u>19,700</u>	<u>309,752</u>
Change in net position	(4,452)	87,631
Net position-beginning of the year	<u>57,152</u>	<u>5,527,564</u>
Net position-end of the year	<u>\$ 52,700</u>	<u>\$ 5,615,195</u>

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**1. Summary of Significant Accounting Policies**

The financial statements of the Toms River Regional School District (the "District") 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 District's accounting policies are described below.

**A. Reporting Entity**

The District is a Type II school district located in Ocean County, New Jersey. As a Type II school district, the District functions independently from the Township through a Board of Education. The Board is comprised of nine members elected to three year staggered terms. The District provides a full range of educational services appropriate to grades Pre-K through 12 and include both regular and special education programs.

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Toms River Regional School District in Toms River, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### **1. Summary of Significant Accounting Policies (continued)**

#### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds be reported as major to promote consistency among the school districts in the State of New Jersey.

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, capital lease obligations, other post-employment benefit liabilities, deferred pension obligation, loans and legal liabilities are recorded only when payment is due.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 1. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Property taxes, interest, and state aid associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

In accordance with GASB 72, funds invested in solar renewable energy certificates associated with the current fiscal period are considered revenue under the full accrual and modified accrual basis of accounting. These investments, however, are not recognized on the budgetary basis of accounting until sold or expected to be sold within 60 days after year end.

The District has reported the following major governmental funds:

*General Fund:* The general fund is the general operating fund of the District and 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 non-instructional equipment, which are classified in the capital outlay subfund.

*Special Revenue Fund:* The District maintains one special revenue fund which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

*Debt Service Fund:* The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

*Food Service Enterprise Fund:* The food service fund accounts for all revenues and expenses pertaining to cafeteria program operations and account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation) of providing goods or services to the students and others on a continuing basis are financed or recovered primarily through user charges.



# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 1. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

*Corporate Center Enterprise Fund:* The corporate center enterprise fund accounts for all revenues and expenses pertaining to the operations of the Center that are financed and operated in a manner similar to private business enterprises. Costs are offset by rental income paid by tenants of the Center. In April 1997, the District acquired a commercial office building and land for \$6,041,170 and \$1,421,600, respectively. The District's administrative offices are maintained in the building as well as other ancillary school services. The District renovated vacant office space for use as additional classrooms, a day care facility and a café servicing both school board and tenant employees. The District has entered into contract with Atlantic Coast Realty Appraisal Group, Inc. to provide professional management services in connection with the rental agreements with its commercial tenants.

*Daycare Center Enterprise Fund:* The Daycare Center ("Center") accounts for all revenues and expenses of the Center and is run as its own separate entity. The Center provides services primarily for District employees. The Center operates from September to June and is open 184 days per year.

*John Bennett Athletic Complex Enterprise Fund:* The John Bennett Athletic Complex ("Complex") accounts for all revenues and expenses of the Complex and is run as its own separate entity and used as the gymnasium for Intermediate School East. The Complex is an air structure used for indoor track and sporting events that is also rented by outside parties.

*Pine Belt Arena Enterprise Fund:* The Pine Belt Arena, on the campus of High School North, accounts for all revenues and expenses of the Arena and is run as its own separate entity and the facility is used as the high school gymnasium during school hours but is rented to other parties for various sporting events, trade shows, and concerts during after school hours.

Additionally, the District reports the following fiduciary fund types:

**Fiduciary Funds:** Fiduciary funds of the District include the unemployment compensation and private purpose scholarship trust funds and agency funds. The trust funds are reported using the economic resources measurement focus. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

*Trust and Agency Funds:* The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 1. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

*Trust Funds:* Unemployment compensation and private purpose scholarship funds are accounted for using the economic resources measurement focus. The unemployment compensation fund is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

*Agency Funds (Payroll and Student Activity Fund):* Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food, rent and tuition. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets, if applicable. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its balance sheet and statements of net position. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### **1. Summary of Significant Accounting Policies (continued)**

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

The County Board of Taxation is responsible for the assessment of properties, and the Municipal Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

#### **D. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office. In accordance with P.L. 2011, c.202, which became effective January 17, 2012, the District elected to move the April School Board election to the date of the November general election thereby eliminating the vote on the base budget. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution and certain other matters require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines.

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

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

#### **E. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, amounts on deposit, and money market accounts.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 1. Summary of Significant Accounting Policies (continued)

#### F. Inventories

Inventories, which benefit future periods are recorded as an expenditure during the year of purchase. The consumable inventory is the property of the District.

At June 30, 2017, there was \$7,408 of unused Food Donation Program commodities owned by the District.

#### G. Capital Assets

Capital assets, which include land and property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	5-12
Buildings	50
Building improvements	20-50
Vehicles	5-10

#### H. Compensated Absences

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 employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies and collective bargaining agreements. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with Districts agreements with the various employee unions. Under

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 1. Summary of Significant Accounting Policies (continued)

#### H. Compensated Absences (continued)

terms of association agreements, employees earn vacation and sick leave in amounts varying with tenure and classification by the District for the unused sick leave in accordance with District agreements with the various employee unions.

As of June 30, 2017, a liability existed for compensated absences in the government-wide financial statements in the amount of \$12,739,096. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees and is recorded in the amount of \$130,127.

#### I. Unearned Revenue

Unearned revenue in the special revenue fund represents cash from grants, which has been received but not yet earned. Unearned revenue in the food service enterprise fund represent cash receipts from students for future meals that have been received in advance and the unused portion of Food Donation Program commodities, prepayments of fees in the Pine Belt Arena and prepayments of rent from tenants within the Corporate Center.

#### J. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net 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 two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net 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 future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

#### K. Deferred Loss on Defeasance of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2017 amounted to \$344,795. As of June 30, 2017, the District has recorded an unamortized balance of \$2,871,087 as a deferred outflow of resources.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**1. Summary of Significant Accounting Policies (continued)**

**L. Long-Term Obligations**

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums and discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**M. Fund Balances**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**1. Summary of Significant Accounting Policies (continued)**

**M. Fund Balances (continued)**

- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$16,993,466 of general fund balance at June 30, 2017, \$5,847,517 is restricted in a capital reserve (\$755,910 of the balance is being utilized as part of the 2017-18 budget), \$6,687,720 is restricted in a maintenance reserve (\$2,000,000 of the balance is being utilized as part of the 2017-18 budget), and \$707,415 is restricted in an emergency reserve, \$1,573,524 of the fund balance has been restricted for excess surplus – current year, \$159,120 of prior year excess surplus is restricted and has been designated for subsequent years expenditures, \$1,020,251 is reported as an assigned fund balance designated for subsequent year's expenditures, \$20,629 is reported as assigned fund balance designated for subsequent year's expenditures – SEMI ARRA and \$977,290 is classified as unassigned. At June 30, 2017, the District also had restricted debt service fund balance in the amount of \$84,208.

**N. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**O. Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 1. Summary of Significant Accounting Policies (continued)

#### P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teacher and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$42,875,344 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

#### Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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. \$159,120 of prior year excess fund balance was included in the 2017-18 approved budget. The excess fund balance generated in the 2017 fiscal year is \$1,573,524, which will be appropriated in the 2018-19 budget.

#### R. GASB Pronouncements

##### GASB Pronouncements implemented in the 2017 Fiscal Year

The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. As the District is not a taxing government, the Statement did not result in a change in the District's assets, revenues or fund balance. However, certain required disclosures were included in Note 21.

##### Recently Issued Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"). This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 30, 2017. Management has not yet determined the impact of the Statement on the financial statements.



Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**1. Summary of Significant Accounting Policies (continued)**

**S. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2017 and December 4, 2017, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. See Note 23.

**2. Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized premiums, long term notes payable, compensated absences, capital leases and deferred pension obligations, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$71,953,263 difference are as follows:

Bonds payable	\$49,080,000
Unamortized bond premium	1,554,395
Notes payable	1,097,004
Deferred pension obligations	842,878
Capital leases payable	6,639,890
Compensated absences payable	<u>12,739,096</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$71,953,263</u>

**3. Deposits and Investments**

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

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

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 3. Deposits and Investments (continued)

Additionally, the District 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.

#### Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund and the New Jersey Asset and Rebate Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**3. Deposits and Investments (continued)**

At June 30, 2017, the carrying amount of the District's deposits for all funds was \$32,890,055 and the bank balance was \$36,090,514. Of the bank balance, \$834,121 of the District's cash deposits on June 30, 2017 were secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered \$25,422,851 of the bank balance. \$2,996,374 of the balance represents capital lease funds held by fiscal agent that is not covered by GUDPA. \$6,836,808 held in the District agency accounts are not covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash and money market accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Operating cash accounts are held in the District's name by several commercial banking institutions.

*Custodial Credit Risk-Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits, in the form of certificates of deposit, money market accounts and checking accounts, may not be returned to it. The District does not have a deposit policy for custodial credit risk.

**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

As of June 30, 2017, the District's investment balances of \$130,314 were in Solar Renewable Energy Certificates. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**3. Deposits and Investments (continued)**

the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurement as of June 30, 2017:

- Solar Renewable Energy Credits in the amount of \$130,314 are valued using quoted market prices (Level 1 inputs).

**New Jersey Cash Management Fund**

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund (“NJCMF”) as its sole investment. The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District’s shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2017, the District’s balance was \$173,773.

All investments in the Fund are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure 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.

*Custodial Credit Risk:* Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk.

*Credit Risk:* The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The average maturity of the District’s investment in the NJCMF is less than one year.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2017, all of the District’s investments were invested in NJCMF, except for the SRECs.

All of the District’s investments in the NJCMF are classified as cash equivalents at June 30, 2017.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,368,923			\$ 5,368,923
Total capital assets, not being depreciated	5,368,923			5,368,923
Capital assets, being depreciated:				
Land improvements	22,004,173	\$ 18,028		22,022,201
Buildings and building improvements	324,479,848	424,465	\$ (13,055)	324,891,258
Machinery, equipment and vehicles	21,977,875	2,088,421	(1,815,411)	22,250,885
Total capital assets being depreciated	368,461,896	2,530,914	(1,828,466)	369,164,344
Less accumulated depreciation for:				
Land improvements	15,072,925	1,013,135		16,086,060
Buildings and building improvements	179,623,806	5,807,375	(8,197)	185,422,984
Machinery, equipment and vehicles	18,476,424	713,295	(1,804,293)	17,385,426
Total accumulated depreciation	213,173,155	7,533,805	(1,812,490)	218,894,470
Total capital assets, being depreciated, net	155,288,741	(5,002,891)	(15,976)	150,269,874
Governmental activities capital assets, net	\$160,657,664	\$(5,002,891)	\$ (15,976)	\$155,638,797

Depreciation expense was charged to functions/programs of the District as follows:

Instruction	\$4,664,906
Attendance/social work	7,473
Health services	137,413
Guidance services	176,427
Other support services	397,119
Improvement of instruction	126,314
School library	79,081
General administration	174,039
School administration	347,008
Central services	96,365
Administrative IT	69,627
Required maintenance	146,897
Operation of plant	541,931
Security	49,607
Student transportation	519,598
Total depreciation expense – governmental activities	<u>\$7,533,805</u>

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**4. Capital Assets (continued)**

The following is a summary of business-type changes in capital assets for the year ended June 30, 2017.

	Beginning Balance	Increases	Deletions	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,421,600			\$ 1,421,600
Total capital assets not being depreciated	1,421,600			1,421,600
Capital assets, being depreciated:				
Land improvements	488,407	\$ 2,534	\$ (4,780)	486,161
Buildings and building improvements	10,334,057	44,019		10,378,076
Machinery and equipment	2,518,388	24,376	(18,103)	2,524,661
Total capital assets being depreciated	13,340,852	70,929	(22,883)	13,388,898
Less accumulated depreciation for:				
Land improvements	347,527	24,245	(3,464)	368,308
Buildings and building improvements	3,270,682	234,813	(1)	3,505,494
Machinery and equipment	2,064,947	78,974	(18,103)	2,125,818
Total accumulated depreciation	5,683,156	338,032	(21,568)	5,999,620
Total business-type activities capital assets, net	\$ 9,079,296	\$ (267,103)	\$ (1,315)	\$ 8,810,878

**5. Long-Term Liabilities**

During the year ended June 30, 2017, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$12,708,918	\$1,288,742	\$ (1,258,564)	\$12,739,096	\$947,277
Community disaster loan	5,000,000		(5,000,000)		
Bonds payable	53,405,000	6,055,000	(10,380,000)	49,080,000	4,715,000
Notes payable	1,279,838		(182,834)	1,097,004	182,834
Premium on bonds	1,693,399		(139,004)	1,554,395	139,004
Deferred pension obligations	904,085		(61,207)	842,878	66,461
Capital leases payable	3,027,893	5,105,000	(1,493,003)	6,639,890	1,914,321
Subtotal	78,019,133	12,448,742	(18,514,612)	71,953,263	7,964,897
Net pension liability	90,811,122	29,277,036		120,038,158	
Total governmental activities long-term liabilities	\$ 168,830,255	\$ 41,675,778	\$ (18,514,612)	\$ 191,991,421	\$ 7,964,897

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**5. Long-Term Liabilities (continued)**

The District expects to liquidate the compensated absences and capital leases with payments made from the District's general fund. Bonds and notes payable are expected to be liquidated by expenditures charged to the debt service fund. The deferred pension obligations are expected to be paid from budgetary appropriations in the general fund. The net pension liability will be liquidated with payments from the general fund.

The District received notification on July 10, 2013 from the Federal Emergency Management Agency ("FEMA") that the District's application for full cancellation of the Community Disaster Loan ("CDL") was approved. See Note 20.

During the year ended June 30, 2017, the following changes occurred in business-type long-term liabilities attributable to the food service enterprise fund:

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-type activities: Compensated absences payable	\$ 136,729	\$ 6,602	\$ 130,127

**Bonds Payable**

Bonds are authorized in accordance with State law or 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 District are general obligation bonds.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2018	\$ 4,715,000	\$ 1,508,519	\$ 6,223,519
2019	4,840,000	1,380,335	6,220,335
2020	4,990,000	1,243,160	6,233,160
2021	5,125,000	1,102,917	6,227,917
2022	5,400,000	931,034	6,331,034
2023-2027	20,655,000	2,052,469	22,707,469
2028-2029	3,355,000	135,500	3,490,500
	<u>\$ 49,080,000</u>	<u>\$ 8,353,934</u>	<u>\$ 57,433,934</u>

Bonds payable at June 30, 2017 are comprised of the following issues:

\$15,790,000, 2009 refunding bonds, due in annual installments ranging from \$1,220,000 to \$1,485,000 through July 15, 2022 at interest rates ranging from 3.25% to 4.00%. The final payment on the defeased bonds was made on July 15, 2014.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**5. Long-Term Liabilities (continued)**

\$17,635,000, 2012 refunding bonds, due in annual installments ranging from \$1,080,000 to \$1,710,000 through July 15, 2028 at interest rates ranging from 3.00% to 4.00%. As of June 30, 2017, the amount of defeased bonds outstanding is \$16,869,000.

\$20,365,000, 2013 refunding bonds, due in annual installments ranging from \$945,000 to \$4,630,000 through July 15, 2024 at interest rates ranging from 1.47% to 3.12%. As of June 30, 2017, the amount of defeased bonds outstanding is \$17,305,000.

On October 27, 2016, the District issued \$6,055,000 Refunding School Bonds at an interest rate of 1.40% to advance refund \$5,890,000 of 2007 School Bonds. As of June 30, 2017, the amount of defeased bonds outstanding is \$5,890,000. The savings from the refunding was \$415,028 with a net present value savings of \$404,032. The 2016 Refunding School Bonds mature in amounts ranging from \$1,470,000 to \$1,550,000 through January 15, 2021.

**Notes Payable-CREBS**

Principal and interest due on notes payable outstanding is as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ending June 30:			
2018	\$ 182,834	\$ 11,564	\$ 194,398
2019	182,834	9,461	192,295
2020	182,834	7,359	190,193
2021	182,834	5,256	188,090
2022	182,834	3,154	185,988
2023	182,834	1,051	183,885
	<u>\$ 1,097,004</u>	<u>\$ 37,845</u>	<u>\$ 1,134,849</u>

**Deferred Pension Obligation**

Principal and interest due on deferred pension obligation liability is as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ending June 30:			
2018	\$ 66,461	\$ 70,473	\$ 136,934
2019	72,166	64,768	136,934
2020	78,360	58,574	136,934
2021	85,086	51,848	136,934
2022	92,390	44,544	136,934
2023-2026	448,415	91,870	540,285
	<u>\$ 842,878</u>	<u>\$ 382,077</u>	<u>\$ 1,224,955</u>



Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**5. Long-Term Liabilities (continued)**

**Capital Leases Payable**

The District is leasing various items under several capital leases. The following is a schedule of the future minimum lease payments and the net present value of the net minimum payments at June 30, 2017:

	Principal	Interest	Total
Year ending June 30:			
2018	\$ 1,914,321	\$ 97,724	\$ 2,012,045
2019	1,782,330	69,660	1,851,990
2020	1,377,996	43,270	1,421,266
2021	1,043,295	22,203	1,065,498
2022	521,948	6,825	528,773
	\$ 6,639,890	\$ 239,682	\$ 6,879,572

**Operating Leases**

The District leases copier equipment. The future minimum rental payments under the operating lease agreements total \$74,387 for the year ending June 30, 2017. The following is a schedule of the future minimum lease payments under the lease agreement over the remaining life of the lease:

<u>Year ending June 30:</u>	
2018	\$ 34,394
2019	24,834
2020	12,477
2021	2,682
	\$ 74,387

**6. Pension Plans**

**Description of Systems**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System 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. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### **6. Pension Plans (continued)**

#### **Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011.

Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service.

Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

#### **Public Employee's Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 6. Pension Plans (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in through July 2018 that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2017, the State of New Jersey contributed \$18,626,938 to the TPAF for on-behalf medical, disability and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$6,714,799 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2017, 2016, and 2015 were \$3,600,625, \$3,477,959, and \$3,438,594, respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Public Employee's Retirement System (PERS)*

At June 30, 2017, the District reported a liability of \$120,038,158 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2016, the District's proportion was 0.4052997399 percent, which was an increase of 0.0007597445 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized full accrual pension expense of \$11,513,647 in the government-wide financial statements. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,232,346	
Changes of assumptions	24,865,495	
Net difference between projected and actual earnings on pension plan investments	4,577,164	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,668,614	\$ 1,573,639
District contributions subsequent to the measurement date	3,595,798	
	\$ 36,939,417	\$ 1,573,639

\$3,595,798 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2018	\$ 7,174,400
2019	7,174,400
2020	8,337,900
2021	6,856,316
2022	2,226,964
	\$ 31,769,980

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.08%
Salary increases	
through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.65%

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

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

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 6. Pension Plans (continued)

#### *Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

#### *Discount rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

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 30% 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 member through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

<b>At 1% Decrease (2.98%)</b>	<b>At Current Discount Rate (3.98%)</b>	<b>At 1% Increase (4.98%)</b>
\$ 147,092,752	\$ 120,038,158	\$ 97,702,245

*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.

*Additional Information*

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 8,685,338,380
Deferred inflows of resources	\$ 870,133,595
Net pension liability	\$ 29,617,131,759

District's Proportion 0.4052997399%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,830,763,540.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 6. Pension Plans (continued)

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined July 1, 2015 (the beginning of the measurement period ended June 30, 2016) is 5.57 years and 5.72 years for the measurement period ended June 30, 2015.

#### 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 State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2016 was \$705,729,925. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State's proportionate share of the TPAF net pension liability associated with the District was 0.8971177283 percent, which was an increase of 0.0114340749 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$53,025,784 for contributions incurred by the State.

#### *Actuarial assumptions*

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%



# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 6. Pension Plans (continued)

#### *Mortality Rates*

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

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

#### *Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Divisions 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 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, 2016 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.78%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.19%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 30% of the 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 member through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's proportionate share of the net pension liability associated with the District	\$ 842,799,244	\$ 705,729,925	\$ 593,795,137

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

**Additional Information**

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$	17,440,003,201
Deferred inflows of resources	\$	195,027,919
Net pension liability	\$	78,666,367,052
State's proportionate share associated with the District		0.8971177283%

Collective pension expense for the plan for the measurement period ended June 30, 2016 is \$5,915,082,656.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2015 (the beginning of the measurement period ended June 30, 2016) is 8.3 years.

**7. Post-Retirement Benefits**

**State Plan**

*Plan Description*

The School District contributes to the New Jersey School Employees Health Benefits Program (the "SEHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SEHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

*Funding Policy*

P.L. 1987, chapter 384 and P.L. 1990, chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees As of June 30, 2016, there were

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 7. Post-Retirement Benefits (continued)

110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2017, 2016, and 2015 were \$8,457,625, \$8,552,579, and \$7,601,476, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

### District Plan

The District follows the accounting provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in accounting for its self-administered post-retirement benefit plan. This statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their dependents have accrued as a result of their respective years of employment service. Statement No. 45 requires governments to account for other post-employment benefits, primarily health care, on an accrual rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the government-wide statement of activities when a retiree earns their postemployment benefit rather than when they use their postemployment benefit. To the extent that an entity does not fund their actuarially required contribution, a postemployment benefit liability is recognized on the government-wide statement of net position over time. The requirements of this statement are being implemented prospectively, with the actuarially accrued liability for the benefits at July 1, 2013 (date of initial calculation) being amortized over 30 years. Accordingly, for financial reporting purposes, no liability was reported for the postemployment health care benefits liability at the date of transition.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 7. Post-Retirement Benefits (continued)

#### Plan Description

The District provides postemployment medical benefits, including prescription drug coverage, and vision and dental care, in accordance with state statute, to participating retirees and their beneficiaries. As of July 1, 2013, the valuation date, approximately 20 retirees meet the eligibility requirements set forth in P.L. 1992, c126. The District sponsors and participates in a single-employer defined benefit OPEB plan. The OPEB plan is administered by the District and does not issue a stand-alone financial statement.

The obligations of the plan members and the District are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and members vary depending on the applicable agreement.

#### Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The District has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. For the fiscal year ended June 30, 2017, the District's annual OPEB cost (expense) of \$205,275 was higher than the ARC of \$200,076, as the cost was based on actual premiums paid during the 2016-17 year for the 18 retirees.

The following table presents the components of the District's annual OPEB cost for the last year, the amount actually contributed to the Plan and changes in the District's net OPEB obligation to the Plan at June 30, 2017:

#### Benefit Obligations and Normal Cost

	<u>June 30, 2017</u>
Actuarial accrued liability (AAL)	\$3,459,727
Unfunded actuarial accrued liability (UAAL)	\$3,459,727
Normal cost at beginning of year	\$0
Amortization factor based on 30 years	7.98%
Amortization component	\$200,076
Annual covered payroll	Not Applicable
UAAL as a percentage of covered payroll	Not Applicable

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 7. Post-Retirement Benefits (continued)

#### Level Dollar Amortization

Calculation of ARC under Entry Age Normal (Alternate Measurement Method)

	<u>June 30, 2017</u>
Annual required Contribution	\$ 200,076
Interest on net OPEB obligation	(13,327)
Adjustment to OPEB	<u>18,526</u>
Annual OPEB cost (expense)	205,275
Employer contributions	(323,510)
Net OPEB obligation (asset) - beginning of year	<u>(333,171)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$(451,406)</u></u>

#### Funded Status and Funding Progress

As of June 30, 2017, the actuarial accrued liability for benefits was \$3,459,727 all of which was unfunded.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the value of plan assets is increasing or decreasing over time relative to the accrued liabilities for benefits.

#### Actuarial Valuations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality and healthcare cost trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the District and Plan members are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the District and Plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2017 actuarial valuation, the liabilities were computed using the entry age method and level dollar amortization over 30 years of which there are 10 years remaining. The actuarial assumptions include a 4.0% discount rate and an initial healthcare cost trend rate of 9.7% leveling off to 4.30% with annual increments of 4.10% and 2.60% for dental and vision, respectively, for all years.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**8. Interfund Receivables and Payables**

The following interfund balances were recorded on the various balance sheets as of June 30, 2017:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 264,589	
Special Revenue Fund		\$ 239,484
Day Care Center Enterprise Fund		25,105
	\$ 264,589	\$ 264,589

The general fund interfund receivable is due from the special revenue fund in the amount of \$239,484 and \$25,105 from the day care center enterprise fund, both for a transfer during 2016-2017 to cover a cash deficit that is due back to the general fund.

All interfunds are expected to be repaid within one year.

**Transfers – Reconciliation**

The following presents a reconciliation of transfers made during the 2017 fiscal year:

	Transfers In	Transfers Out
General Fund	\$ 112,280	\$ 455,910
Debt Service Fund	455,910	
Bennett Complex Enterprise Fund		20,972
Pine Belt Arena Enterprise Fund		91,308
	\$ 568,190	\$ 568,190

The transfer between the general fund and the debt service fund represents the transfer of funds from the capital reserve account to fund debt service expenditures. The transfer from the Pine Belt Arena Enterprise Fund to the general fund of \$91,308 and the transfer from the Bennett Complex Enterprise Fund to the general fund of \$20,972 represent a return on investment transferred to the general fund.

**9. Economic Dependency**

The District receives support from federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**10. Risk Management**

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

During the 2017 fiscal year, the District was covered by commercial insurance, as well as being self-insured for workers' compensation (\$650,000 deductible/limit per occurrence), general and auto liability (\$300,000 deductible/limit per occurrence) and student accident (\$25,000 deductible/limit per occurrence).

**Health Insurance-Self Insured**

The District is self-insured for health benefits, which provides for the District's employees' health benefits. There is a stop-loss policy for \$300,000 per covered individual. Under the program, annual rates are established with the insurance carrier based on expenses, projected claims and a margin for fluctuation, thereby providing a predictable monthly premium. The claims are filed with and paid by Meritain and on a monthly basis Meritain bills the District for actual claims paid.

This activity is reported in the government-wide financial statements and includes an accrual for health insurance claims incurred but not reported in the amount of \$5,760,000 at June 30, 2017. This represents the amount estimated by categorizing the various claims and reviewing past history primarily on actual claims during the previous fiscal years, for which information was available and supplemental information with respect to certain other individual claims and proceedings. The stated liability is the District's best estimate based on currently known information and application of the foregoing procedures and funds the liability with annual appropriations in the general fund.

Changes in the funds incurred but not reported claims liability amount for health insurance for the fiscal years 2017 and 2016 were:

<b>Fiscal Year</b>	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments / Reductions</b>	<b>Balance at End of Year</b>
2016-17	\$ 5,542,952	\$ 43,901,718	\$ 43,684,670	\$ 5,760,000
2015-16	5,702,456	47,103,425	47,262,929	5,542,952

**Self Insured Workers' Compensation/General and Auto Liability/Employment Practice/Legal Liability/Student Accident**

The District is self-insured for amounts limited to between \$25,000 and \$650,000 per occurrence, depending upon the type and year the liability was incurred for certain types of claims and any excess is covered by excess insurance coverage. The liability on the next page was estimated by an actuary categorizing the



Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**10. Risk Management (continued)**

various claims and reviewing past history based primarily on actual settlements by type of claim during the preceding fiscal years, for which information was available and supplemental information with respect to certain other individual claims and proceedings. The stated liability is the District's best estimate based on currently known information and application of the foregoing procedures.

Changes in the case reserves and incurred but not reported claims liability amount for workers' compensation, general and auto liability, employment practice, legal liability and student accident claims for the fiscal years ending 2017 and 2016 were:

<b>Fiscal Year</b>	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments / Reductions</b>	<b>Balance at End of Year</b>
2016-17	\$ 7,561,879	\$ 2,668,518	\$ 2,242,144	\$ 7,988,253
2015-16	6,363,322	3,552,388	2,353,831	7,561,879

A complete schedule of insurance can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

**New Jersey Unemployment Compensation Insurance**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the past three years:

<b>Fiscal Year</b>	<b>Interest on Investments</b>	<b>Contributions</b>	<b>Amount Paid</b>	<b>Ending Balance</b>
2016-17	\$ 73	\$ 397,310	\$ 309,752	\$ 5,615,195
2015-16	32	379,841	319,268	5,527,564
2014-15	9	385,311	338,663	5,466,959

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 11. Deferred Compensation

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit 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:

AIG/Valic	Lincoln Investment Planning	AXA Equitable
Tom Seely Agency	Asset Management Investment Planning	McGuckin Financial
Metlife	Siracusa Benefits Program	Travelers Citistreet
Discovery Financial	Legend Group/NEA Program	

### 12. Restricted Assets

The District has restricted certain assets to offset the capital reserve, maintenance reserve and emergency reserve fund balances in the general fund in the amount of \$5,847,517, \$6,687,720 and \$707,415, respectively. The District also has restricted cash held with fiscal agent in the general fund in the amount of \$2,996,734, which represents proceeds not yet expended from capital leases entered into through June 30, 2017.

### 13. Capital Reserve Account

A capital reserve account was established by the District's Board of Education by inclusion in September of 2000 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 (June 1 to June 30) of any unanticipated revenue or unexpended line items of 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.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 13. Capital Reserve Account (continued)

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, June 30, 2016	\$ 4,419,305
Budget withdrawal	(1,105,910)
Interest earnings	7,000
Deposits:	
Approved by June 2017 resolution	2,000,000
Budgeted deposits	455,910
Unused capital outlay funds	71,212
Ending balance, June 30, 2017	<u>\$ 5,847,517</u>

The June 30, 2017 balance in the capital reserve account did not exceed the local support costs of uncompleted capital projects. The District has budgeted \$755,910 of the June 30, 2017 capital reserve balance in its 2017-18 fiscal year budget.

### 14. Maintenance Reserve Account

A maintenance reserve account was established by the Toms River Regional School District during the 2003-2004 school year for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A. 18A: 7G-9*) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23A-14.2*) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, June 30, 2016	\$ 8,147,733
Budget withdrawal	(3,470,513)
Interest earnings	10,500
Deposits:	
Approved by June 2017 resolution	2,000,000
Ending balance, June 30, 2017	<u>\$ 6,687,720</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017. The District has budgeted \$2,000,000 of the June 30, 2017 maintenance reserve balance in its 2017-18 fiscal year budget.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### 15. Emergency Reserve Account

An emergency reserve account was established by the District during the 2006-2007 school year for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account 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 reasonable 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 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by the board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. 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 4 percent.

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, June 30, 2016	\$ 704,965
Interest earnings	<u>2,450</u>
Ending balance, June 30, 2017	<u>\$ 707,415</u>

### 16. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board. However, certain cases have a high probability of an unfavorable outcome. Therefore, an accrual of \$274,000 has been recorded in the governmental funds to address any litigation matters that pertain to fiscal year ended June 30, 2017.

### 17. Commitments

The District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$2,619,605 and is included in the assigned – other purposes fund balance of \$977,290.

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### **18. Deferred Pension Obligation**

In 2009, the State of New Jersey permitted School Districts to defer up to 50% of their contributions due in 2009. The District elected this option, resulting in a deferral of \$1,144,755 which has been reported in the District's long-term liabilities section. The balance as of June 30, 2017 is \$842,878.

### **19. Extraordinary Item**

The former superintendent for the District was ordered to pay \$4,336,988 in restitution to the School District. The District has received \$3,227,993 of these funds through June 30, 2017, which includes \$365,782 received during the fiscal year ended June 30, 2017. The \$365,782 received in the fiscal year ended June 30, 2017 has been recorded as an extraordinary item. Applicable authorities and District attorneys' are vigorously pursuing the remaining funds owed to the District. The remaining balance has not been recorded in the financial statements and will not be recorded until the funds are released and received by the District.

### **20. Special Item**

The District applied for and received a Community Disaster Loan in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for a \$5,000,000 total loan and withdrew \$4,588,852 and \$411,148 as a reduction of the tax levy assessed in the 2013-14 and 2014-2015 school years, respectively.

The District received notification on July 27, 2017 from FEMA that the District's application for full cancellation of the Community Disaster Loan was approved. The cancellation of this loan is reflected as a special item in the statement of activities.

### **21. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2017

**21. Tax Abatements (continued)**

to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Toms River provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township of Toms River are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school and county taxes.

The Township of Toms River recognized revenue of \$305,683 from the annual service charge in lieu of payment of taxes in 2016 and taxes in 2016 that otherwise would have been due on these long-term tax exemptions amounted to \$870,246, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$564,563 abatement would have been allocated to the District.

The Borough of Pine Beach, Township of Beachwood and Borough of South Toms River did not provide any long term tax exemptions in 2016.

**22. Excess of Expenditure Over an Appropriation**

The over-expenditure in the general fund was due to unforeseen litigation matters that arose subsequent to the close of the June 30, 2017 financial statements. Consequently, insufficient funds budgeted in the judgments against school district's budget line resulted in this over-expenditure. Expenditures exceeded an appropriation in the following account: Support services – general administration – Judgments against District - \$269,000 in the General Fund.

The over-expenditure identified above was generated by the recording of certain adjustments, provided by the District after the books and records were closed, to accrue liabilities for certain litigation matters which were not determinable until after the close process had been completed, and as such, no statutory violations have occurred.

**23. Subsequent Events**

On July 4, 2017, the New Jersey State budget was signed, which included revised state aid for school districts. Most districts in the State received an increase in state aid, however, certain districts received a decrease. Toms River Regional School District's revised aid allocation resulted in a decrease in State aid of \$1,366,845. The District filed an application to have the reduction in aid reversed. On October 16, 2017, the District received notification from the State that their aid was restored back to the previous projected allocation of \$68,342,239. As a result, the District does not need to take any further action to revise the 2017/18 budget.

On October 18, 2017, the Board authorized the issuance of refunding energy savings bonds in an amount not to exceed \$17,800,000.

Required Supplementary Information  
Part II

Schedule of Funding Progress and Schedule  
of Employer Contributions Related to the  
Post-Employment Healthcare Benefit Plan  
and Schedules Related to Accounting and  
Reporting for Pensions (GASB 68)

Toms River Regional School District

Required Supplementary Information

Schedule of Funding Progress

Post-Employment Healthcare Benefit Plan

Year ended June 30, 2017

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability * (AAL) Level Dollar (b)</b>	<b>Unfunded AAL (UAAL) Level (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered ** Payroll (c)</b>	<b>Accrued Percentage of Covered Payroll (b-a)/c</b>
July 1, 2016	\$ -	\$ 3,459,727	\$ 3,459,727	0%	0%	0%
July 1, 2013	-	2,643,343	2,643,343	0%	0%	0%

Note: Information prior to July 1, 2013 was not available.

\* The actuarial accrued liability was calculated using the Alternative Measurement Method.

\*\* Since there are no active employees of the District that are eligible to participate in the Plan, as it relates solely to retirees and the enrollment period has expired, the covered payroll is \$0.



Toms River Regional School District  
Required Supplementary Information  
Schedule of Employer Contributions  
Post-Employment Healthcare Benefit Plan  
Year ended June 30, 2017

<b>Fiscal Year Ended</b>	<b>Employer Contributions</b>
June 30, 2017	\$ 323,510
June 30, 2016	288,869
June 30, 2015	272,410

Toms River Regional School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employee's Retirement System

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	N/A	N/A	0.4619779833%	0.4171099175%	0.404539954%	0.4052997399%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A	N/A	\$ 76,825,980	\$ 78,094,385	\$ 90,811,122	\$ 120,038,158
District's covered-employee payroll	\$ 25,953,768	\$ 26,886,579	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,763,291	\$ 28,464,560	\$ 27,539,772	\$ 27,569,910	\$ 26,829,471
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	269.90%	283.57%	329.38%	447.41%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	N/A	N/A	48.72%	52.08%	47.93%	40.14%

N/A - Information not available

See Note in Required Supplementary Information

Toms River Regional School District  
 Required Supplementary Information  
 Schedule of District Contributions  
 Public Employee's Retirement System

Last Ten Fiscal Years

	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contractually required contribution	\$ 1,547,266	\$ 2,154,276	\$ 2,476,460	\$ 3,193,445	\$ 3,375,594	\$ 3,193,343	\$ 3,438,594	\$ 3,477,959	\$ 3,600,625	\$ 3,595,798
Contributions in relation to the contractually required contribution	(1,547,266)	(2,154,276)	(2,476,460)	(3,193,445)	(3,375,594)	(3,193,343)	(3,438,594)	(3,477,959)	(3,600,625)	(3,595,798)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 26,886,579	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,783,291	\$ 28,464,560	\$ 27,539,772	\$ 27,569,910	\$ 26,829,471	\$ 26,060,161
Contributions as a percentage of covered-employee payroll	5.75%	7.63%	8.34%	11.35%	12.15%	11.22%	12.49%	12.62%	13.42%	13.80%

See Note to Required Supplementary Information

Toms River Regional School District  
 Required Supplementary Information  
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District  
 Teachers' Pension and Annuity Fund

Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.8733716886%	0.8861361810%	0.8856836534%	0.8971177283%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 441,395,182	\$ 473,610,948	\$ 559,789,890	\$ 705,729,925
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 441,395,182</u>	<u>\$ 473,610,948</u>	<u>\$ 559,789,890</u>	<u>\$ 705,729,925</u>
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

\* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

*See Note to Required Supplementary Information*

Toms River Regional School District  
Notes to Required Supplementary Information  
Year ended June 30, 2017

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016.

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016.

# Required Supplementary Information

## Part III

### Budgetary Comparison Schedules

Budgetary Comparison Schedules provide a one-year comparison of original budget, budget transfers, final budget and actual information for the General Fund and Special Revenue Fund.

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 144,911,387		\$ 144,911,387	\$ 144,911,347	\$ (40)
Tuition from Individuals	25,496		25,496	222,218	196,722
Tuition from other LEAs within the State	422,874		422,874	1,117,035	694,161
Tuition from other sources				117,856	117,856
Transportation fees from other LEAs within the State	40,000		40,000	67,099	27,099
Rents and Royalties	100,000		100,000	127,076	27,076
Interest Earned on Investments				8,259	8,259
Solar Credits	500,000		500,000	428,136	(71,864)
Miscellaneous	310,000		310,000	544,490	234,490
Interest Earned on Emergency Reserve	2,450		2,450	2,450	
Interest Earned on Maintenance Reserve	10,500		10,500	10,500	
Interest Earned on Capital Reserve Funds	7,000		7,000	7,000	
<b>Total - Local Sources</b>	<b>146,329,707</b>		<b>146,329,707</b>	<b>147,563,466</b>	<b>1,233,759</b>
State Sources:					
Educational Adequacy Aid	433,801		433,801	433,801	
Equalization Aid	39,941,537		39,941,537	39,941,537	
Categorical Special Education Aid	9,263,660		9,263,660	9,263,660	
Transportation Aid	4,600,705		4,600,705	4,600,705	
Security Aid	1,848,137		1,848,137	1,848,137	
Adjustment Aid	11,788,519		11,788,519	11,788,519	
PARCC Readiness Aid	155,830		155,830	155,830	
Per Pupil Growth Aid	155,830		155,830	155,830	
Professional Learning Community Aid	154,220		154,220	154,220	
Non-Public Transportation Aid				38,628	38,628
Extraordinary Aid	750,000		750,000	1,468,558	718,558
TPAF Pension Contributions (On-behalf - Non-Budgeted)				10,150,440	10,150,440
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				8,457,625	8,457,625
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				18,873	18,873
TPAF Social Security (Reimbursed - Non-Budgeted)				6,714,799	6,714,799
<b>Total State Sources</b>	<b>69,092,239</b>		<b>69,092,239</b>	<b>95,191,162</b>	<b>26,098,923</b>
Federal Sources:					
Medicaid Assistance Program (SEMI ARRA)				20,629	20,629
Medical Assistance Program	319,583		319,583	474,287	154,704
<b>Total - Federal Sources</b>	<b>319,583</b>		<b>319,583</b>	<b>494,916</b>	<b>175,333</b>
<b>Total Revenues</b>	<b>215,741,529</b>		<b>215,741,529</b>	<b>243,249,544</b>	<b>27,508,015</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	3,506,841	\$ (217,424)	3,289,417	3,239,944	49,473
Grades 1-5 - Salaries of Teachers	22,198,775	(578,332)	21,620,443	21,616,082	4,361
Grades 6-8 - Salaries of Teachers	15,072,598	(400,711)	14,671,887	14,670,365	1,522
Grades 9-12 - Salaries of Teachers	21,332,267	(534,245)	20,798,022	20,791,281	6,741
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	125,000	73,155	198,155	198,155	
Purchased Professional-Educational Services	95,000	3,341	98,341	87,525	10,816
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	120,986	(28,494)	92,492	92,492	
Purchased Professional-Educational Services	1,892,000	598,668	2,490,668	2,464,390	26,278
Purchased Technical Services	290,200	(23,763)	266,437	265,803	634
Other Purchased Services	2,260,500	152,871	2,413,371	2,051,498	361,873
General Supplies	1,652,900	(313,589)	1,339,311	1,250,261	89,050
Textbooks	1,224,000	(310,117)	913,883	898,903	14,980
Other Objects	66,000	74,203	140,203	113,254	26,949
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>69,837,067</b>	<b>(1,504,437)</b>	<b>68,332,630</b>	<b>67,739,953</b>	<b>592,677</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Cognitive - Mild:</b>					
Salaries of Teachers	494,627	(103,208)	391,419	391,419	
Other Salaries for Instruction	307,552	71,525	379,077	379,077	
Purchased Professional-Educational Services	53,280	71,350	124,630	119,117	5,513
General Supplies	8,500	(2,712)	5,788	5,389	399
<b>Total Cognitive - Mild</b>	<b>863,959</b>	<b>36,955</b>	<b>900,914</b>	<b>895,002</b>	<b>5,912</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Current Expense (continued):</b>					
<b>Cognitive - Moderate:</b>					
Salaries of Teachers	\$ 134,698	\$ (45,926)	\$ 88,772	\$ 85,891	\$ 2,881
Other Salaries for Instruction	67,160	(28,100)	39,060	39,060	
Purchased Professional-Educational Services	38,820	(20,661)	18,159	17,095	1,064
General Supplies	3,200	3,741	6,941	4,919	2,022
<b>Total Cognitive - Moderate</b>	<b>243,878</b>	<b>(90,946)</b>	<b>152,932</b>	<b>146,965</b>	<b>5,967</b>
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	2,458,155	17,241	2,475,396	2,475,396	
Other Salaries for Instruction	1,238,760	(71,982)	1,166,778	1,163,327	3,451
Purchased Professional-Educational Services	217,080	261,172	478,252	474,507	3,745
General Supplies	309,800	(40,226)	269,574	267,460	2,114
Textbooks		888	888	888	
<b>Total Learning and/or Language Disabilities</b>	<b>4,223,795</b>	<b>167,093</b>	<b>4,390,888</b>	<b>4,381,578</b>	<b>9,310</b>
<b>Auditory Impairments</b>					
Salaries of Teachers	146,332	(1,607)	144,725	144,725	
Other Salaries for Instruction	18,176	(2,970)	15,206	13,711	1,495
Purchased Professional-Educational Services	91,620	(66,678)	24,942	21,721	3,221
General Supplies	4,300	15,812	20,112	18,746	1,366
<b>Total Auditory Impairments</b>	<b>260,428</b>	<b>(55,443)</b>	<b>204,985</b>	<b>198,903</b>	<b>6,082</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	475,836	2,254	478,090	478,090	
Other Salaries for Instruction	163,375	(13,416)	150,159	150,159	
Purchased Professional-Educational Services	80,380	73,670	154,050	143,374	10,676
General Supplies	6,000	(3,496)	2,504	2,503	1
Textbooks	600	(600)			
<b>Total Behavioral Disabilities</b>	<b>726,391</b>	<b>58,412</b>	<b>784,803</b>	<b>774,126</b>	<b>10,677</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	282,087	(5,518)	276,569	276,569	
Other Salaries for Instruction	324,100	4,333	328,433	328,433	
Purchased Professional-Educational Services	49,140	77,485	126,625	123,047	3,578
General Supplies	9,400	3,582	12,982	11,375	1,607
Other Objects	500	(500)			
<b>Total Multiple Disabilities</b>	<b>665,227</b>	<b>79,382</b>	<b>744,609</b>	<b>739,424</b>	<b>5,185</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	6,759,371	(139,477)	6,619,894	6,619,894	
Other Salaries for Instruction	45,391	(19,966)	25,425	25,425	
Purchased Professional-Educational Services	224,820	13,816	238,636	237,572	1,064
General Supplies	27,000	(4,634)	22,366	22,350	16
Textbooks	2,800	(1,335)	1,465	1,465	
<b>Total Resource Room/Resource Center</b>	<b>7,059,382</b>	<b>(151,596)</b>	<b>6,907,786</b>	<b>6,906,706</b>	<b>1,080</b>
<b>Autism:</b>					
Salaries of Teachers	1,476,617	(201,698)	1,274,919	1,274,919	
Other Salaries for Instruction	1,139,352	232,240	1,371,592	1,321,178	50,414
Purchased Professional-Educational Services	539,700	210,001	749,701	715,024	34,677
General Supplies	49,900	(892)	49,008	45,550	3,458
Textbooks		60	60	60	
Other Objects		500	500	500	
<b>Total Autism</b>	<b>3,205,569</b>	<b>240,211</b>	<b>3,445,780</b>	<b>3,357,231</b>	<b>88,549</b>
<b>Preschool Disabilities - Part-Time</b>					
Salaries of Teachers	804,583	(38,080)	766,503	766,503	
Other Salaries for Instruction	392,561	105,166	497,727	497,727	
Purchased Professional-Educational Services	71,100	99,837	170,937	162,230	8,707
Other Purchased Services	2,500		2,500	2,500	
General Supplies	14,000	(8,440)	5,560	5,560	
<b>Total Preschool Disabilities - Part-Time</b>	<b>1,284,744</b>	<b>158,483</b>	<b>1,443,227</b>	<b>1,434,520</b>	<b>8,707</b>
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	429,250	(2,166)	427,084	427,084	
Other Salaries for Instruction	121,439	2,875	124,314	124,314	
Purchased Professional-Educational Services	21,960	36,059	58,019	56,757	1,262
General Supplies	2,200	(2,200)			
<b>Total Preschool Disabilities - Full-Time</b>	<b>574,849</b>	<b>34,568</b>	<b>609,417</b>	<b>608,155</b>	<b>1,262</b>



Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Current Expense (continued):</b>					
<b>Home Instruction</b>					
Salaries of Teachers	\$ 125,000	\$ 19,238	\$ 144,238	\$ 144,238	
Purchased Professional-Educational Services	145,000	(115,877)	29,123	29,123	
<b>Total Home Instruction</b>	<b>270,000</b>	<b>(96,639)</b>	<b>173,361</b>	<b>173,361</b>	
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>19,378,222</b>	<b>380,480</b>	<b>19,758,702</b>	<b>19,615,971</b>	<b>\$ 142,731</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	934,690	(35,223)	899,467	898,767	700
Purchased Professional-Educational Services		18,999	18,999	10,700	8,299
Other Purchased Services	500		500	62	438
General Supplies	8,200	3,818	12,018	11,329	689
Textbooks	1,500	(1,500)			
<b>Total Basic Skills/Remedial - Instruction</b>	<b>944,890</b>	<b>(13,906)</b>	<b>930,984</b>	<b>920,858</b>	<b>10,126</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	489,529	48,200	537,729	537,729	
Other Purchased Services	3,200	(2,953)	247	247	
General Supplies	5,000	(5,000)			
Other Objects	2,500	(2,500)			
<b>Total Bilingual Education - Instruction</b>	<b>500,229</b>	<b>37,747</b>	<b>537,976</b>	<b>537,976</b>	
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	604,000	(7,397)	596,603	596,603	
Purchased Services	59,000	41,663	100,663	83,469	17,194
Supplies and Materials	100,200	(25,727)	74,473	35,408	39,065
Other Objects	31,000	11,271	42,271	29,023	13,248
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>794,200</b>	<b>19,810</b>	<b>814,010</b>	<b>744,503</b>	<b>69,507</b>
<b>School-Spon. Athletics</b>					
Salaries	2,559,254	(57,723)	2,501,531	2,354,456	147,075
Purchased Services	361,650	79,600	441,250	400,046	41,204
Supplies and Materials	233,500	39,062	272,562	242,743	29,819
Other Objects	130,500	(27,433)	103,067	97,234	5,833
<b>Total School-Spon. Athletics</b>	<b>3,284,904</b>	<b>33,506</b>	<b>3,318,410</b>	<b>3,094,479</b>	<b>223,931</b>
<b>Community Services Programs/Operations</b>					
Salaries	25,075	1,236	26,311	25,793	518
Other Purchased Services	2,250		2,250		2,250
Supplies and Materials	4,200	156	4,356	844	3,512
Other Objects	1,000		1,000		1,000
<b>Total Community Services Programs/Operations</b>	<b>32,525</b>	<b>1,392</b>	<b>33,917</b>	<b>26,637</b>	<b>7,280</b>
<b>TOTAL INSTRUCTION</b>	<b>94,772,037</b>	<b>(1,045,408)</b>	<b>93,726,629</b>	<b>92,680,377</b>	<b>1,046,252</b>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to Other LEAs Within the State - Regular	50,000	125,042	175,042	172,403	2,639
Tuition to Other LEAs Within the State - Special	158,231	(29,811)	128,420	128,420	
Tuition to County Voc. School Dist. - Regular	302,500	7,260	309,760	275,385	34,375
Tuition to CSSD & Regional Day Schools	1,165,309	92,484	1,257,793	1,255,067	2,726
Tuition to Private Schools for the Disabled - Within State	2,012,594	576,876	2,589,470	2,534,298	55,172
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	321,470	83,247	404,717	370,007	34,710
Tuition - State Facilities	281,076		281,076	281,076	
Tuition - Other	130,000	(11,000)	119,000	118,995	5
<b>Total Undistributed Expenditures - Instruction</b>	<b>4,421,180</b>	<b>844,098</b>	<b>5,265,278</b>	<b>5,135,651</b>	<b>129,627</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	231,822	(3,175)	228,647	166,470	62,177
Other Purchased Services	2,500		2,500		2,500
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>234,322</b>	<b>(3,175)</b>	<b>231,147</b>	<b>166,470</b>	<b>64,677</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	2,387,988	(19,741)	2,368,247	2,364,610	3,637
Purchased Professional and Technical Services	543,000	138,744	681,744	638,810	42,934
Supplies and Materials	110,800	(9,916)	100,884	47,729	53,155
Other Objects		10,030	10,030	10,030	
<b>Total Undistributed Expenditures - Health Services</b>	<b>3,041,788</b>	<b>119,117</b>	<b>3,160,905</b>	<b>3,061,179</b>	<b>99,726</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>					
Salaries	2,042,633	(122,498)	1,920,135	1,920,135	
Purchased Professional - Educational Services	1,333,692	23,458	1,357,150	1,310,419	46,731
Supplies and Materials	19,300	(4,102)	15,198	14,198	1,000
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<b>3,395,625</b>	<b>(103,142)</b>	<b>3,292,483</b>	<b>3,244,752</b>	<b>47,731</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>					
Salaries	\$ 2,700	\$ 38	\$ 2,738	\$ 2,738	
Other Salaries for Instruction	1,200	15	1,215	1,215	
Supplies and Materials	4,000	(3,573)	427	427	
Other Objects	2,000	(2,000)			
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<b>9,900</b>	<b>(5,520)</b>	<b>4,380</b>	<b>4,380</b>	
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	3,339,629	(13,340)	3,326,289	3,308,292	\$ 17,997
Salaries of Secretarial and Clerical Assistants	712,302	(44,676)	667,626	603,004	64,622
Purchased Professional - Educational Services	1,000		1,000		1,000
Other Purchased Services	1,750		1,750		1,750
Supplies and Materials	29,500	679	30,179	16,688	13,491
Other Objects	10,300	(357)	9,943	2,321	7,622
<b>Total Undist. Expend. - Guidance</b>	<b>4,094,481</b>	<b>(57,694)</b>	<b>4,036,787</b>	<b>3,930,305</b>	<b>106,482</b>
<b>Undist. Expend. - Child Study Team</b>					
Salaries of Other Professional Staff	2,878,712	18,120	2,896,832	2,896,832	
Salaries of Secretarial and Clerical Assistants	427,961	14,688	442,649	441,640	1,009
Purchased Prof. - Educational Services	100,000	73,722	173,722	149,861	23,861
Other Purchased Prof. and Tech. Services	66,000		66,000	65,871	129
Other Purchased Services		470	470		470
Supplies and Materials	51,500	(16,752)	34,748	32,476	2,272
Other Objects	1,000	(925)	75	75	
<b>Total Undist. Expend. - Child Study Team</b>	<b>3,525,173</b>	<b>89,323</b>	<b>3,614,496</b>	<b>3,586,755</b>	<b>27,741</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisors of Instruction	2,816,520	(1,410)	2,815,110	2,708,774	106,336
Salaries of Other Professional Staff	20,000	16,527	36,527	36,221	306
Salaries of Secretarial and Clerical Assistants	35,833	1,410	37,243	37,243	
Purchased Prof. - Educational Services	30,000	(2,627)	27,373	26,722	651
Other Purchased Services	6,000	83	6,083	753	5,330
Supplies and Materials	11,000	53	11,053	2,841	8,212
Other Objects	10,000		10,000	1,377	8,623
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>2,929,353</b>	<b>14,036</b>	<b>2,943,389</b>	<b>2,813,931</b>	<b>129,458</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	1,723,976		1,723,976	1,664,762	59,214
Purchased Professional & Technical Services	2,000		2,000		2,000
Other Purchased Services	5,000		5,000		5,000
Supplies and Materials	139,000	(10,929)	128,071	96,950	31,121
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>1,869,976</b>	<b>(10,929)</b>	<b>1,859,047</b>	<b>1,761,712</b>	<b>97,335</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Supervisors of Instruction		440	440		440
Salaries - Other Professional Staff	50,000	(24,383)	25,617	17,865	7,752
Other Salaries		2,268	2,268		2,268
Purchased Professional - Educational Services	155,000	(1,810)	153,190	133,224	19,966
Other Objects	15,000	9,985	24,985	23,917	1,068
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>220,000</b>	<b>(13,500)</b>	<b>206,500</b>	<b>175,006</b>	<b>31,494</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	1,316,895	(31,935)	1,284,960	1,282,236	2,724
Legal Services	325,000	227,323	552,323	551,379	944
Audit Fees	90,000	7,000	97,000	97,000	
Architectural/Engineering Services	90,000	316,639	406,639	365,730	40,909
Other Purchased Professional Services	95,000	19,354	114,354	85,347	29,007
Communications/Telephone	633,000	(26,372)	606,628	560,849	45,779
Board of Education Other Purchased Services	7,500	(325)	7,175	975	6,200
Other Purchased Services	564,665	(10,872)	553,793	549,974	3,819
General Supplies	21,500	(1,614)	19,886	14,316	5,570
Board of Education In-House Training/Meeting Supplies	5,000	565	5,565	5,550	15
Judgements Against the School District	40,000	(20,000)	20,000	289,000	(269,000)
Miscellaneous Expenditures	60,230	(593)	59,637	47,952	11,685
Board of Education Dues and Fees	28,000		28,000	26,799	1,201
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>3,276,790</b>	<b>479,170</b>	<b>3,755,960</b>	<b>3,877,107</b>	<b>(121,147)</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	\$ 4,904,030	\$ 56,905	\$ 4,960,935	\$ 4,960,935	
Salaries of Secretarial and Clerical Assistants	2,679,180	(59,947)	2,619,233	2,579,773	\$ 39,460
Travel	2,000	(500)	1,500		1,500
Supplies and Materials	57,500	61,867	119,367	48,493	70,874
Other Objects	109,600	106,166	215,766	141,190	74,576
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>7,752,310</b>	<b>164,491</b>	<b>7,916,801</b>	<b>7,730,391</b>	<b>186,410</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	1,974,549	43,493	2,018,042	2,018,042	
Purchased Professional Services	10,000	5,000	15,000	14,843	157
Purchased Technical Services	20,000	4,863	24,863	21,315	3,548
Misc Purchased Services	48,000	(6,589)	41,411	28,341	13,070
Supplies and Materials	84,990	(22,063)	62,927	40,348	22,579
Interest on lease purchase agreements		1,257	1,257	1,257	
Miscellaneous Expenditures	21,750	6,896	28,646	22,612	6,034
<b>Total Undist. Expend. - Central Services</b>	<b>2,159,289</b>	<b>32,857</b>	<b>2,192,146</b>	<b>2,146,758</b>	<b>45,388</b>
<b>Undist. Expend. - Technology Admin.</b>					
Salaries	1,276,645	(16,153)	1,260,492	1,053,774	206,718
Purchased Professional Services	20,000		20,000	19,782	218
Purchased Technical Services	241,250	65,799	307,049	244,993	62,056
Other Purchased Services	100,100	21,659	121,759	103,167	18,592
Rentals	16,500		16,500	15,539	961
Travel	2,500		2,500	233	2,267
Supplies and Materials	95,900	79,176	175,076	112,646	62,430
Other Objects	5,000		5,000	975	4,025
<b>Total Undist. Expend. - Technology Admin.</b>	<b>1,757,895</b>	<b>150,481</b>	<b>1,908,376</b>	<b>1,551,109</b>	<b>357,267</b>
<b>Undist. Expend. - Required Maint. for Sch. Facil.</b>					
Salaries	2,132,723	80,490	2,213,213	2,213,213	
Cleaning, Repair and Maintenance Services	590,300	296,746	887,046	646,293	240,753
General Supplies	725,000	(137,638)	587,362	406,897	180,465
Other Objects	22,500	6,840	29,340	6,052	23,288
<b>Total Undist. Expend. - Required Maint. for Sch. Facil.</b>	<b>3,470,523</b>	<b>246,438</b>	<b>3,716,961</b>	<b>3,272,455</b>	<b>444,506</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	5,825,510	(113,737)	5,711,773	5,469,590	242,183
Salaries of Non-Instructional Aides	405,052	3,194	408,246	366,324	41,922
Purchased Professional - Technical Services	159,450		159,450	159,450	
Cleaning, Repair and Maintenance Services	335,100	20,065	355,165	283,903	71,262
Other Purchased Property Services	475,000	20,122	495,122	476,871	18,251
Insurance	740,342	64,501	804,843	760,445	44,398
Travel	1,500	(1,500)			
Miscellaneous Purchased Services	25,000	(24,450)	550		550
General Supplies	405,000	(41,757)	363,243	329,174	34,069
Natural Gas	902,000	(100,000)	802,000	735,728	66,272
Electricity	2,500,000	(284,420)	2,215,580	2,139,347	76,233
Other Objects	48,000	31,949	79,949	35,102	44,847
<b>Total Undist. Expend. - Custodial Services</b>	<b>11,821,954</b>	<b>(426,033)</b>	<b>11,395,921</b>	<b>10,755,934</b>	<b>639,987</b>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Salaries	1,052,787	10,000	1,062,787	988,914	73,873
Cleaning, Repair and Maintenance Services	110,000	(17,941)	92,059	69,426	22,633
General Supplies	250,000	111,775	361,775	237,294	124,481
Other Objects	20,000	11,209	31,209	21,169	10,040
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>1,432,787</b>	<b>115,043</b>	<b>1,547,830</b>	<b>1,316,803</b>	<b>231,027</b>
<b>Undist. Expend. - Security</b>					
Salaries	1,093,333		1,093,333	1,079,334	13,999
Cleaning, Repair and Maintenance Services	25,000	(10,000)	15,000		15,000
General Supplies	30,000	21,884	51,884	24,826	27,058
Other Objects	12,500	10	12,510	955	11,555
<b>Total Undist. Expend. - Security</b>	<b>1,160,833</b>	<b>11,894</b>	<b>1,172,727</b>	<b>1,105,115</b>	<b>67,612</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries for Pupil Trans. (Between Home & School) - Regular	\$ 5,175,192	\$ (160,509)	\$ 5,014,683	\$ 4,844,116	\$ 170,567
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	2,758,279	(179,416)	2,578,863	2,525,536	53,327
Salaries for Pupil Trans. Other than Between Home & School	150,000	75,716	225,716	225,716	
Other Purchased Professional and Technical Services		4,000	4,000	3,362	638
Cleaning, Repair & Maintenance Services	30,950	56,012	86,962	64,654	22,308
Lease Purchase Payments-School Buses	287,000	3,100	290,100	290,067	33
Contracted Services Aid In Lieu of Payment for Non-public School Students	145,000	89,483	234,483	230,014	4,469
Contracted Services (Between Home and School) - Vendors	425,000	(127,208)	297,792	253,045	44,747
Contracted Services (Other than Between Home and School) - Vendors	25,000	(1,673)	23,327	18,942	4,385
Contracted Services (Between Home and School) - Joint Agreements	10,000	7,148	17,148	11,728	5,420
Contracted Services (Sp. Ed.) - Vendors	1,300,000	87,887	1,387,887	1,188,342	199,545
Contracted Services (Sp. Ed.) - Joint Agreements	80,000	(3,469)	76,531	38,942	37,589
Contracted Services (Regular Students) - ESCs	12,500	(11,100)	1,400		1,400
Contracted Services (Special Education Students) - ESCs	125,000	193,958	318,958	274,319	44,639
Miscellaneous Purchased Services - Transportation	160,000	(104,599)	55,401	22,399	33,002
General Supplies	41,110	(16,380)	24,730	7,305	17,425
Transportation Supplies	690,000	102,121	792,121	698,646	93,475
Other Objects	1,435,000	(352,715)	1,082,285	878,079	204,206
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>12,850,031</b>	<b>(337,644)</b>	<b>12,512,387</b>	<b>11,575,212</b>	<b>937,175</b>
<b>Unallocated Benefits</b>					
Social Security Contributions	3,050,000	(165,839)	2,884,161	2,705,739	178,422
TPAF Contributions ERIIP	110,000		110,000	107,799	2,201
Other Retirement Contributions - PERS	3,940,755	(214,164)	3,726,591	3,721,686	4,905
Other Retirement Contributions - Deferred PERS Payment	161,754	(13,000)	148,754	148,671	83
Workmen's Compensation	1,732,831	515,000	2,247,831	2,242,144	5,687
Health Benefits	43,859,306	509,076	44,368,382	43,684,670	683,712
Tuition Reimbursement	60,000	(21,933)	38,067	35,270	2,797
Other Employee Benefits	2,017,308	177,431	2,194,739	2,129,739	65,000
<b>Total Unallocated Benefits</b>	<b>54,931,954</b>	<b>786,571</b>	<b>55,718,525</b>	<b>54,775,718</b>	<b>942,807</b>
TPAF Pension Contributions (On-behalf - Non-Budgeted)				10,150,440	(10,150,440)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				8,457,625	(8,457,625)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				18,873	(18,873)
Reimbursed TPAF Social Security Contributions (non-budgeted)				6,714,799	(6,714,799)
<b>Total On-behalf Contributions</b>				<b>25,341,737</b>	<b>(25,341,737)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>124,356,164</b>	<b>2,095,882</b>	<b>126,452,046</b>	<b>147,328,480</b>	<b>(20,876,434)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>219,128,201</b>	<b>1,050,474</b>	<b>220,178,675</b>	<b>240,008,857</b>	<b>(19,830,182)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs-Instruction</b>					
Grades 1-5	10,000	(4,064)	5,936	5,936	
Grades 6-8	15,000	(10,000)	5,000		5,000
Grades 9-12	25,000	(11,428)	13,572	3,564	10,008
<b>Special Education-Instruction</b>					
Multiple Disabilities	7,500	10,595	18,095	18,092	3
Autisim	4,000	(4,000)			
Preschool Disabilities - Part Time	4,000	750	4,750		4,750
School- Spons. & Other Instruction Program	9,000	36,176	45,176	39,176	6,000
<b>Undistributed Expenditures</b>					
Other Support Services - Related Services	6,000	(6,000)			
Support Services - Instructional Staff	6,000	1,569	7,569	7,569	
School Administration	18,000	(3,000)	15,000		15,000
Central Services	8,000	875	8,875	5,875	3,000
Admin Info Tech	20,000	158,184	178,184	171,284	6,900
Undistributed Exp.-Req. Maint. of School Facilities	20,000	(13,000)	7,000	6,774	226
Undistributed Exp.-Custodial Services	25,000	(24,743)	257	157	100
Undistributed Exp.-Care and Upkeep of Grounds	20,000	6,900	26,900	26,894	6
Undistributed Exp.-Security	20,000	(20,000)			
<b>Undistributed Exp.-Non-Instructional Services</b>					
Non-Instructional Equipment	40,000	36,283	76,283	66,629	9,654
School buses-special		171,000	171,000		171,000
<b>Total Equipment</b>	<b>257,500</b>	<b>326,097</b>	<b>583,597</b>	<b>351,950</b>	<b>231,647</b>

General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	\$ 55,000	\$ 634,023	\$ 689,023	\$ 64,790	\$ 624,233
Other Purchased Professional & Technical Services		9,964	9,964	1,464	8,500
Construction Services	845,000	685,617	1,530,617	950,153	580,464
Other Objects - Debt Service Assessment	371,261		371,261	371,261	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,271,261</u>	<u>1,329,604</u>	<u>2,600,865</u>	<u>1,387,668</u>	<u>1,213,197</u>
Assets acquired under capital leases (non budgeted)				2,206,838	(2,206,838)
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,528,761</u>	<u>1,653,701</u>	<u>3,184,462</u>	<u>3,946,456</u>	<u>(761,994)</u>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	40,000		40,000	31,475	8,525
General Supplies	500		500		500
Other Objects	1,000		1,000	801	199
<b>Total Instruction</b>	<u>41,500</u>		<u>41,500</u>	<u>32,276</u>	<u>9,224</u>
<b>Total Summer School</b>	<u>41,500</u>		<u>41,500</u>	<u>32,276</u>	<u>9,224</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>41,500</u>		<u>41,500</u>	<u>32,276</u>	<u>9,224</u>
<b>TOTAL EXPENDITURES</b>	<u>220,698,462</u>	<u>2,706,175</u>	<u>223,404,637</u>	<u>243,987,589</u>	<u>(20,564,504)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(4,956,933)</u>	<u>(2,706,175)</u>	<u>(7,663,108)</u>	<u>(738,045)</u>	<u>6,925,063</u>
<b>Other Financing Sources (Uses):</b>					
Transfer in	112,280		112,280	112,280	
Non-Federal Cost Share Reimbursement Program proceeds - funded by Community Development Block Grant				25,022	25,022
Capital lease proceeds				2,206,838	2,206,838
Transfer Out	(455,910)		(455,910)	(455,910)	
<b>Total Other Financing Sources (Uses)</b>	<u>(343,630)</u>		<u>(343,630)</u>	<u>1,888,230</u>	<u>2,231,860</u>
<b>Extraordinary Item - Restitution proceeds</b>				365,782	365,782
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures, Other Financing Sources (Uses) and Extraordinary Item</b>	<u>(5,300,563)</u>	<u>(2,706,175)</u>	<u>(8,006,738)</u>	<u>1,515,967</u>	<u>9,522,705</u>
<b>Fund Balance, July 1</b>	<u>22,205,780</u>		<u>22,205,780</u>	<u>22,205,780</u>	
<b>Fund Balance, June 30</b>	<u>\$ 16,905,217</u>	<u>\$ (2,706,175)</u>	<u>\$ 14,199,042</u>	<u>\$ 23,721,747</u>	<u>\$ 9,522,705</u>
<b>Recapitulation of (Deficiency) Excess of Revenues and Other Financing Sources (uses) (Under) Over Expenditures:</b>					
Budgeted Fund Balance	\$ (1,200,000)		\$ (1,200,000)	\$ 8,322,705	\$ 9,522,705
Adjustment for Prior Year Encumbrances		\$ (2,706,175)	(2,706,175)	(2,706,175)	
Withdrawal Capital Reserve	(1,105,910)		(1,105,910)	(1,105,910)	
Withdrawal Maintenance Reserve	(3,470,513)		(3,470,513)	(3,470,513)	
Interest earned on Maintenance Reserve	10,500		10,500	10,500	
Interest earned on Emergency Reserve	2,450		2,450	2,450	
Interest earned on Capital Reserve	7,000		7,000	7,000	
Increase in Capital Reserve	455,910		455,910	455,910	
<b>Total</b>	<u>\$ (5,300,563)</u>	<u>\$ (2,706,175)</u>	<u>\$ (8,006,738)</u>	<u>\$ 1,515,967</u>	<u>\$ 9,522,705</u>
<b>Recapitulation of Fund Balance:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 159,120	
Excess Surplus-current year				1,573,524	
Capital Reserve				5,091,607	
Capital Reserve (utilized in subsequent year's budget)				755,910	
Maintenance Reserve				4,687,720	
Maintenance Reserve (utilized in subsequent year's budget)				2,000,000	
Emergency Reserve				707,415	
Assigned to:					
Designated for Subsequent Year's Expenditures				1,020,251	
Designated for Subsequent Year's Expenditures-Assigned-SEMI ARRA				20,629	
Year End Encumbrances				2,619,605	
Unassigned Fund Balance				5,085,966	
				<u>23,721,747</u>	
<b>Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:</b>					
Final State Aid Payments Not Realized on GAAP Basis				(6,728,281)	
<b>Fund balance per Government Funds (GAAP)</b>				<u>\$ 16,993,466</u>	

Toms River Regional School District  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
Federal Sources	\$ 5,531,629	\$ 1,771,301	\$ 7,302,930	\$ 6,970,583	\$ (332,347)
State Sources	941,894	114,851	1,056,745	873,173	(183,572)
Local Sources	741,977	(201,835)	540,142	372,658	(167,484)
Total revenues	<u>7,215,500</u>	<u>1,684,317</u>	<u>8,899,817</u>	<u>8,216,414</u>	<u>(683,403)</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	460,731	1,442,285	1,903,016	1,876,506	26,510
Other salaries for instruction		97,569	97,569	71,894	25,675
Purchased professional educational services	42,862	31,190	74,052	67,677	6,375
Other purchased professional services	38,100	35,400	73,500	71,560	1,940
Other purchased prof. and tech. services		420	420		420
Contracted services - vendors		201	201		201
Tuition		3,627,689	3,627,689	3,627,689	
Travel		2,820	2,820	2,819	1
General supplies	2,439,312	(1,903,736)	535,576	384,302	151,274
Textbooks	87,429	(2,698)	84,731	84,680	51
Other objects		10,818	10,818	8,765	2,053
Total instruction	<u>3,068,434</u>	<u>3,341,958</u>	<u>6,410,392</u>	<u>6,195,892</u>	<u>214,500</u>
<b>Support services:</b>					
Salaries of other professional staff		6,397	6,397	6,397	
Personal services—employee benefits		651,337	651,337	649,083	2,254
Purchased professional educational services	773,503	565,328	1,338,831	963,636	375,195
Other purchased professional services		5,150	5,150	5,150	
Contracted services - vendors		17,541	17,541	13,095	4,446
Tuition	3,373,563	(3,373,563)			
Travel		140	140	54	86
Supplies and materials		34,058	34,058	16,511	17,547
Other objects		178,616	178,616	112,912	65,704
Total support services	<u>4,147,066</u>	<u>(1,914,996)</u>	<u>2,232,070</u>	<u>1,766,838</u>	<u>465,232</u>
<b>Facilities acquisition and construction services:</b>					
Instructional equipment		84,762	84,762	81,091	3,671
Non-instructional equipment		172,593	172,593	172,593	
Total facilities acquisition and construction services:		<u>257,355</u>	<u>257,355</u>	<u>253,684</u>	<u>3,671</u>
Total expenditures	<u>7,215,500</u>	<u>1,684,317</u>	<u>8,899,817</u>	<u>8,216,414</u>	<u>683,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Toms River Regional School District  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2017

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 243,249,544	\$ 8,216,414
<b>Differences - Budgetary to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		116,043
Current year		(313,275)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	6,682,280	
Current year	(6,728,281)	
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis.		
	(62,401)	
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	 \$ 243,141,142	 \$ 8,019,182
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 243,987,589	\$ 8,216,414
<b>Differences - Budgetary to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		116,043
Current year		(313,275)
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	 \$ 243,987,589	 \$ 8,019,182

## Other Supplementary Information



# Special Revenue Fund

Toms River Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2017

	Title I, Part A	I.D.E.A.		Title II A	Title III	Title III Immigrant	EPA National Clean Diesel Rebate Program	NEA Big Read
		Part B, Basic	Preschool					
Revenues:								
Federal sources	\$ 2,207,479	\$ 3,761,930	\$ 124,669	\$ 516,753	\$ 62,817	\$ 12,682	\$ 170,000	\$ 8,080
State sources								
Other sources								
Total revenues	<u>\$ 2,207,479</u>	<u>\$ 3,761,930</u>	<u>\$ 124,669</u>	<u>\$ 516,753</u>	<u>\$ 62,817</u>	<u>\$ 12,682</u>	<u>\$ 170,000</u>	<u>\$ 8,080</u>
Expenditures:								
Instruction:								
Salaries of teachers	\$ 1,411,302			\$ 404,054	\$ 46,760			
Other salaries for instruction	4,625							
Purchased professional educational services	20,913		\$ 37,543			\$ 3,571		\$ 2,500
Other purchased professional services								
Tuition		\$ 3,549,332	78,357					
Travel								
General supplies	126,468		3,769		10,801	8,825		5,580
Textbooks								
Other objects	1,450				1,872			
Total instruction	<u>1,564,758</u>	<u>3,549,332</u>	<u>119,669</u>	<u>404,054</u>	<u>59,433</u>	<u>12,396</u>		<u>8,080</u>
Support services:								
Salaries of other professional staff	3,000				3,111	286		
Personal services—employee benefits	543,686			105,124	273			
Purchased professional educational services	59,700	212,598	5,000	7,575				
Other purchased professional services								
Contracted services - vendors	13,095							
Travel	54							
Supplies and materials	16,511							
Other objects	53							
Total support services	<u>636,099</u>	<u>212,598</u>	<u>5,000</u>	<u>112,699</u>	<u>3,384</u>	<u>286</u>		
Facilities acquisition and construction services:								
Instructional equipment	6,622							
Non-instructional equipment							\$ 170,000	
Total facilities acquisition and construction services	<u>6,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>
Total expenditures	<u>\$ 2,207,479</u>	<u>\$ 3,761,930</u>	<u>\$ 124,669</u>	<u>\$ 516,753</u>	<u>\$ 62,817</u>	<u>\$ 12,682</u>	<u>\$ 170,000</u>	<u>\$ 8,080</u>

Toms River Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2017

	Federal Emergency Management Assistance	New Jersey Non-Public Aid						
		Textbooks	Auxiliary Services Ch 192	Transportation	Handicapped Services Ch 193	Nursing	Technology	Security
Revenues:								
Federal sources	\$ 106,173							
State sources		\$ 84,680	\$ 249,210	\$ 28,708	\$ 268,545	\$ 132,300	\$ 38,170	\$ 71,560
Other sources								
Total revenues	\$ 106,173	\$ 84,680	\$ 249,210	\$ 28,708	\$ 268,545	\$ 132,300	\$ 38,170	\$ 71,560
Expenditures:								
Instruction:								
Salaries of teachers								
Other salaries for instruction								
Purchased professional educational services								
Other purchased professional services								\$ 71,560
Tuition								
Travel								
General supplies							\$ 31,508	
Textbooks		\$ 84,680						
Other objects								
Total instruction		84,680					31,508	71,560
Support services:								
Salaries of other professional staff								
Personal services–employee benefits								
Purchased professional educational services			\$ 249,210	\$ 28,708	\$ 268,545	\$ 132,300		
Other purchased professional services								
Contracted services - vendors								
Travel								
Supplies and materials								
Other objects	\$ 106,173						1,911	
Total support services	106,173		249,210	28,708	268,545	132,300	1,911	
Facilities acquisition and construction services:								
Instructional equipment							4,751	
Non-instructional equipment								
Total facilities acquisition and construction services	-	-	-	-	-	-	4,751	-
Total expenditures	\$ 106,173	\$ 84,680	\$ 249,210	\$ 28,708	\$ 268,545	\$ 132,300	\$ 38,170	\$ 71,560

Toms River Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2017

	<u>Orchestra Donation</u>	<u>Various Local Grants</u>	<u>Total</u>
Revenues:			
Federal sources			\$ 6,970,583
State sources			873,173
Other sources	\$ 151,364	\$ 221,294	372,658
Total revenues	<u>\$ 151,364</u>	<u>\$ 221,294</u>	<u>\$ 8,216,414</u>
Expenditures:			
Instruction:			
Salaries of teachers		\$ 14,390	\$ 1,876,506
Other salaries for instruction	\$ 67,269		71,894
Purchased professional educational services		3,150	67,677
Other purchased professional services			71,560
Tuition			3,627,689
Travel		2,819	2,819
General supplies	70,903	126,448	384,302
Textbooks			84,680
Other objects	235	5,208	8,765
Total instruction	<u>138,407</u>	<u>152,015</u>	<u>6,195,892</u>
Support services:			
Salaries of other professional staff			6,397
Personal services–employee benefits			649,083
Purchased professional educational services			963,636
Other purchased professional services		5,150	5,150
Contracted services - vendors			13,095
Travel			54
Supplies and materials			16,511
Other objects	4,775		112,912
Total support services	<u>4,775</u>	<u>5,150</u>	<u>1,766,838</u>
Facilities acquisition and construction services:			
Instructional equipment	8,182	61,536	81,091
Non-instructional equipment		2,593	172,593
Total facilities acquisition and construction services	<u>8,182</u>	<u>64,129</u>	<u>253,684</u>
Total expenditures	<u>\$ 151,364</u>	<u>\$ 221,294</u>	<u>\$ 8,216,414</u>

# Fiduciary Funds

Toms River Regional School District  
Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2017

	Trust			Agency			
	Private - Scholarship Funds	Unemployment Compensation	Totals	Student Activity	Payroll	Class Trust Fund	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 52,700	\$ 5,682,376	\$ 5,735,076	\$ 769,974	\$ 6,603,264	\$ 42,537	\$ 7,415,775
Total assets	<u>52,700</u>	<u>5,682,376</u>	<u>5,735,076</u>	<u>\$ 769,974</u>	<u>\$ 6,603,264</u>	<u>\$ 42,537</u>	<u>\$ 7,415,775</u>
<b>Liabilities</b>							
Payroll deductions and withholdings payable					\$ 1,803,916		\$ 1,803,916
Summer payroll payable					4,799,348		4,799,348
Accounts payable		67,181	67,181				
Due to class funds						\$ 42,537	42,537
Due to student groups				\$ 769,974			769,974
Total liabilities		<u>67,181</u>	<u>67,181</u>	<u>\$ 769,974</u>	<u>\$ 6,603,264</u>	<u>\$ 42,537</u>	<u>\$ 7,415,775</u>
<b>Net position</b>							
Held in trust for unemployment benefits		5,615,195	5,615,195				
Held in trust for scholarships	52,700		52,700				
Total net position	<u>\$ 52,700</u>	<u>\$ 5,615,195</u>	<u>\$ 5,667,895</u>				

Toms River Regional School District  
Student Activity Agency Fund

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
<b>MIDDLE SCHOOLS:</b>				
Intermediate North	\$ 41,602	\$ 38,886	\$ 54,608	\$ 25,880
Intermediate East	104,716	49,464	40,279	113,901
Intermediate South	31,453	82,774	77,633	36,594
	<u>177,771</u>	<u>171,124</u>	<u>172,520</u>	<u>176,375</u>
<b>HIGH SCHOOLS:</b>				
High School East	160,909	484,537	405,817	239,629
High School North	163,397	515,148	500,614	177,931
High School South	161,554	398,797	384,312	176,039
	<u>485,860</u>	<u>1,398,482</u>	<u>1,290,743</u>	<u>593,599</u>
<b>Total all schools</b>	<u>\$ 663,631</u>	<u>\$ 1,569,606</u>	<u>\$ 1,463,263</u>	<u>\$ 769,974</u>

Toms River Regional School District  
Payroll Agency Fund

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
<b>Assets</b>				
Cash and cash equivalents	\$ 6,465,919	\$ 160,133,683	\$ 159,996,338	\$ 6,603,264
Total assets	<u>\$ 6,465,919</u>	<u>\$ 160,133,683</u>	<u>\$ 159,996,338</u>	<u>\$ 6,603,264</u>
<b>Liabilities</b>				
Payroll deductions and withholdings payable	\$ 1,635,521	\$ 153,694,067	\$ 153,525,672	\$ 1,803,916
Summer payroll payable	4,830,398	6,439,616	6,470,666	4,799,348
Total liabilities	<u>\$ 6,465,919</u>	<u>\$ 160,133,683</u>	<u>\$ 159,996,338</u>	<u>\$ 6,603,264</u>



Toms River Regional School District  
Class Trust Fund

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
<b>HIGH SCHOOLS:</b>				
High School North	\$ 7,924	\$ 4,298	\$ 12	\$ 12,210
High School South	30,308	31	12	30,327
<b>Total all schools</b>	\$ 38,232	\$ 4,329	\$ 24	\$ 42,537

# Long-Term Debt

Toms River Regional School District  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Schools Refunding bonds	3/1/2007	\$ 12,440,000				\$ 7,180,000		\$ 7,180,000	
Schools Refunding bonds	4/20/2009	15,790,000	7/15/2017	\$ 1,220,000	3.25 %				
			7/15/2018	1,275,000	3.50				
			7/15/2019	1,335,000	3.63				
			7/15/2020	1,375,000	3.75				
			7/15/2021	1,425,000	3.88				
			7/15/2022	1,485,000	4.00	9,290,000		1,175,000	\$ 8,115,000
Schools Refunding bonds	12/27/2012	17,635,000	7/15/2017	1,080,000	3.00				
			7/15/2018	1,125,000	4.00				
			7/15/2019	1,180,000	4.00				
			7/15/2020	1,235,000	4.00				
			7/15/2021	1,285,000	4.00				
			7/15/2022	1,345,000	4.00				
			7/15/2023	1,395,000	4.00				
			7/15/2024	1,455,000	4.00				
			7/15/2025	1,515,000	4.00				
			7/15/2026	1,580,000	4.00				
			7/15/2027	1,645,000	4.00				
			7/15/2028	1,710,000	4.00	17,595,000		1,045,000	16,550,000
Schools Refunding bonds	5/23/2013	20,365,000	7/15/2017	945,000	1.47				
			7/15/2018	950,000	1.67				
			7/15/2019	960,000	2.01				
			7/15/2020	965,000	2.31				
			7/15/2021	2,690,000	2.62				
			7/15/2022	2,760,000	2.87				
			7/15/2023	4,490,000	2.97				
			7/15/2024	4,630,000	3.12	19,340,000		950,000	18,390,000
Schools Refunding bonds	10/27/2016	6,055,000	1/15/2018	1,470,000	1.40				
			1/15/2019	1,490,000	1.40				
			1/15/2020	1,515,000	1.40				
			1/15/2021	1,550,000	1.40				
						\$ 6,055,000		30,000	6,025,000
						\$ 53,405,000	\$ 6,055,000	\$ 10,380,000	\$ 49,080,000

Toms River Regional School District  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2017

Series	Amount of Original Issue	Balance July 1, 2016	Issued Current Year	Retired Current Year	Balance June 30, 2017
Municipal Capital Corp.- Multiple Locations	\$ 59,271	\$ 23,682		\$ 15,582	\$ 8,100
Municipal Capital Corp. - Various	79,597	1,115		1,115	
Municipal Capital Corp. - Central Athletics	6,415	2,741		1,698	1,043
TD Equipment - IT Equipment	750,000	381,632		151,035	230,597
TD Equipment - IT Equipment	700,000	215,265		142,987	72,278
TD Equipment - IT Equipment	1,700,000	1,033,024		339,582	693,442
TD Equipment - IT Equipment	1,700,000	1,370,434		334,009	1,036,425
TD Equipment - School Buses and Technology	2,150,000		\$ 2,150,000	421,088	1,728,912
TD Equipment - Phone system	875,000		875,000	85,907	789,093
TD Equipment - School Buses and Technology	2,080,000		2,080,000		2,080,000
		<u>\$ 3,027,893</u>	<u>\$ 5,105,000</u>	<u>\$ 1,493,003</u>	<u>\$ 6,639,890</u>

Toms River Regional School District  
Long-Term Debt

Schedule of Notes Payable

Year ended June 30, 2017

	Interest Rate	Amount of Original Issue	Balance July 1, 2016	Retired Current Year	Balance June 30, 2017
CREBS - November 19, 2008	1.15%	\$ 2,742,510	\$ 1,279,838	\$ 182,834	\$ 1,097,004
			<u>\$ 1,279,838</u>	<u>\$ 182,834</u>	<u>\$ 1,097,004</u>

Toms River Regional School District  
Long-Term Debt

Schedule of Deferred Pension Obligation

Year ended June 30, 2017

	Interest Rate	Amount of Original Issue	Balance July 1, 2016	Retired Current Year	Balance June 30, 2017
Deferred Pension Obligation	8.25%	\$ 958,051	\$ 904,085	\$ 61,207	\$ 842,878
			<u>\$ 904,085</u>	<u>\$ 61,207</u>	<u>\$ 842,878</u>

Toms River Regional School District  
Long-Term Debt

Schedule of Community Disaster Loan (CDL)

Year ended June 30, 2017

	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Balance July 1, 2016</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2017</u>
Community Disaster Loan (CDL)	1.50%	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
			<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ -</u>

Toms River Regional School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local tax levy	\$ 5,697,674		\$ 5,697,674	\$ 5,697,674	
Miscellaneous				3,166	\$ 3,166
State sources:					
Debt Service Aid	350,248		350,248	350,248	
Total revenues	<u>6,047,922</u>		<u>6,047,922</u>	<u>6,051,088</u>	<u>3,166</u>
Expenditures:					
Principal on CREBs	182,834		182,834	182,834	
Principal on bonds	4,460,000	\$ 30,000	4,490,000	4,490,000	
Interest on ERI	504,387		504,387	504,387	
Interest on bonds	1,356,611	(30,000)	1,326,611	1,242,452	84,159
Cost of issuance				35,641	(35,641)
Total expenditures	<u>6,503,832</u>	<u>-</u>	<u>6,503,832</u>	<u>6,455,314</u>	<u>48,518</u>
(Deficiency) excess of revenues (under) over expenditures	(455,910)	-	(455,910)	(404,226)	51,684
Other financing sources (uses):					
Refunding bonds issued				6,055,000	6,055,000
Payment to bond refunding escrow agent				(6,022,525)	(6,022,525)
Transfers in	455,910		455,910	455,910	
Total other financing sources (uses)	<u>455,910</u>		<u>455,910</u>	<u>488,385</u>	<u>32,475</u>
Net change in fund balance	-	-	-	84,159	84,159
Fund balance, July 1	49	-	49	49	
Fund balance, June 30	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 84,208</u>	<u>\$ 84,159</u>



## Statistical Section

**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**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.

**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.

**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.

*Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.*

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
**Unaudited**

	JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities:</b>					(as restated)					
Net Investment in Capital Assets	\$ 100,138,595	\$ 104,334,891	\$ 105,202,765	\$ 107,466,300	\$ 106,170,502	\$ 118,369,561	\$ 45,783,902	\$ 47,172,494	\$ 45,657,155	\$ 45,301,064
Restricted	14,975,296	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319	7,211,394
Unrestricted (deficit)	(110,762,145)	(111,724,008)	(106,964,540)	(29,043,889)	(18,654,892)	(8,623,810)	(13,046,576)	(3,591,545)	(4,543,377)	718,543
<b>Total Governmental Activities</b>										
Net Position	\$ 4,351,746	\$ 7,104,697	\$ 11,080,990	\$ 87,812,702	\$ 93,504,194	\$ 109,951,550	\$ 33,080,138	\$ 43,945,148	\$ 42,264,097	\$ 53,231,001
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 8,810,878	\$ 9,079,296	\$ 9,333,216	\$ 9,451,339	\$ 9,782,088	\$ 8,735,666	\$ 6,406,443	\$ 6,553,808	\$ 6,230,000	\$ 99,152
Unrestricted	2,558,382	2,092,765	1,674,628	2,320,105	2,245,021	3,232,844	3,592,818	3,724,150	3,375,546	8,719,284
<b>Total Business-Type Activities</b>										
Net Position	\$ 11,369,260	\$ 11,172,061	\$ 11,007,844	\$ 11,771,444	\$ 12,027,109	\$ 11,968,510	\$ 9,999,261	\$ 10,277,958	\$ 9,605,546	\$ 8,818,436
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 108,949,473	\$ 113,414,187	\$ 114,535,981	\$ 116,917,639	\$ 115,952,590	\$ 127,105,227	\$ 52,190,345	\$ 53,726,302	\$ 51,887,155	\$ 45,400,216
Restricted	14,975,296	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319	7,211,394
Unrestricted (deficit)	(108,203,763)	(109,631,243)	(105,289,912)	(26,723,784)	(16,409,871)	(5,390,966)	(9,453,758)	132,605	(1,167,831)	9,437,827
<b>Total Government-Wide Net Position</b>										
	\$ 15,721,006	\$ 18,276,758	\$ 22,088,834	\$ 99,584,146	\$ 105,531,303	\$ 121,920,060	\$ 43,079,399	\$ 54,223,106	\$ 51,869,643	\$ 62,049,437

Source :CAFR Schedule A-1

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years. (See footnotes for detail).

GASB No. 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$76,825,980. This amount is not reflected in the June 30, 2014 Net Position, above.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS  
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013 (as restated)	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities										
Instruction:										
Instruction	\$ 192,945,040	\$ 178,305,712								
Regular			\$ 139,814,483	\$ 123,114,654	\$ 121,909,028	\$ 65,935,727	\$ 66,235,265	\$ 96,723,532	\$ 91,725,377	\$ 93,536,032
Special Education			23,825,273	16,319,752	15,511,096	14,817,304	13,913,417	20,409,347	18,581,171	18,536,995
Other Special Education			1,648,562	1,383,970	1,453,892	1,323,853	1,378,203	2,085,579	1,936,770	2,177,419
Vocational						1,564,781	1,515,261	2,633,777	2,648,657	2,903,990
School Sponsored/Other Instructional			2,985,155	2,806,100	3,730,381	3,699,586	4,006,264	8,041,855	7,839,463	7,973,294
Adult Continuing Education Programs					17,637	28,290	23,848	39,201	31,901	6,739
Support Services:										
Attendance / social work	344,891	314,030								
Health services	5,626,816	5,215,940								
Other Support Services	22,588,359	20,445,313	19,794,456	20,844,273	21,193,367	73,236,252	68,558,277	-	-	-
Improvement of instruction	5,797,332	5,289,591								
School library	3,550,341	3,352,594								
Instructional staff training	201,208	253,156								
General Administration	5,367,878	4,493,013	3,712,059	2,519,575	2,238,220	1,913,430	2,237,326	15,757,271	2,904,801	3,195,660
School Administrative Services	15,820,972	14,292,348	12,988,419	11,725,998	10,032,174	10,017,867	10,150,928	3,314,477	14,759,196	14,628,839
Central services	4,315,456	3,867,552								
Administrative information technology	2,775,569	3,278,731								
Required maintenance	7,030,422	5,388,557								
Operation of plant	18,130,099	17,812,538								
Security	2,263,093	2,088,660								
Pupil Transportation	19,894,513	18,731,552	16,255,165	17,617,143	11,695,418	11,314,786	10,923,759	16,639,502	16,955,034	17,762,071
Tuition			4,328,874	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954	1,985,607
Student & Instruction Related Services			10,560,935	12,342,624	19,031,847	18,415,334	18,713,173	25,149,439	23,444,250	24,040,993
Plant Operations & Maintenance			28,494,762	24,909,297	17,129,935	15,818,621	17,263,493	24,895,033	24,101,000	24,340,331
Special Schools	64,598		42,164	43,489	31,000	26,900	42,143	69,862	80,057	82,316
Cost of issuance	35,641									
Interest on Long-Term Debt	1,590,563	2,205,859	2,394,907	2,672,509	2,544,895	3,085,116	4,221,619	3,255,648	3,428,108	3,922,942
Unallocated Depreciation					8,666,231	8,174,831	5,747,264	3,077,096	4,731,200	4,719,971
Unallocated Amortization					9,255					
<b>Total Governmental Activities Expenses</b>	<b>308,342,791</b>	<b>285,335,146</b>	<b>266,845,214</b>	<b>240,423,595</b>	<b>238,342,581</b>	<b>232,357,987</b>	<b>227,001,141</b>	<b>222,759,217</b>	<b>215,554,939</b>	<b>219,813,199</b>
Business-Type Activities:										
Food Service	4,344,472	4,637,749	4,637,519	5,187,151	5,469,971	5,185,881	5,113,640	4,713,932	4,922,710	4,820,133
Corporate Center	829,536	850,433	907,582	749,028	799,006	817,782	924,024	926,541	982,127	956,268
Day Care Center	706,731	808,082	862,347	827,779	747,396	811,474	700,641	463,157	329,499	316,141
Bennett Complex	342,781	328,542	680,839	317,332	278,982	271,046				
Pine Belt Arena	381,959	403,707	693,480	287,525	217,684	276,295	324,514	370,161	626,118	311,310
<b>Total Business-Type Activities Expenses</b>	<b>6,605,479</b>	<b>7,028,513</b>	<b>7,781,767</b>	<b>7,368,815</b>	<b>7,513,039</b>	<b>7,362,478</b>	<b>7,062,819</b>	<b>6,473,791</b>	<b>6,860,454</b>	<b>6,403,852</b>
<b>Total District Expenses</b>	<b>\$ 314,948,270</b>	<b>\$ 292,363,659</b>	<b>\$ 274,626,981</b>	<b>\$ 247,792,410</b>	<b>\$ 245,855,620</b>	<b>\$ 239,720,465</b>	<b>\$ 234,063,960</b>	<b>\$ 229,233,008</b>	<b>\$ 222,415,393</b>	<b>\$ 226,217,051</b>

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013 (as restated)	2012	2011	2010	2009	2008
<b>Program Revenues:</b>										
Operating Grants & Contributions	\$ 7,941,100	\$ 7,468,573	\$ 6,997,929	\$ 6,909,414	\$ 8,445,687	\$ 7,752,618	\$ 9,867,886	\$ 12,808,646	\$ 8,068,901	\$ 8,438,597
Charges for services	1,524,208	1,228,039	1,109,587	1,375,757	1,325,068					
Capital Grants & Contributions	78,082	15,089	10,324	33,279						
<b>Total Governmental Activities Program Revenues</b>	<b>9,543,390</b>	<b>8,711,701</b>	<b>8,117,840</b>	<b>8,318,450</b>	<b>9,770,755</b>	<b>7,752,618</b>	<b>9,867,886</b>	<b>12,808,646</b>	<b>8,068,901</b>	<b>8,438,597</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	2,165,766	2,247,791	2,435,298	2,636,196	2,872,395	3,099,881	3,386,422	3,372,171	3,836,181	3,627,630
Corporate Center	891,265	1,094,318	1,036,502	1,022,375	763,881	667,877	631,684	937,439	787,549	911,139
Day Care Center	687,233	695,707	785,564	839,809	745,589	722,030	707,876	443,058	443,142	434,852
Bennett Complex	451,357	446,380	379,110	388,887	336,464	366,712	-	-	-	-
Pine Belt Arena	406,743	405,540	313,868	390,492	303,249	356,569	735,439	842,228	1,000,306	946,880
Operating Grants & Contributions	2,311,619	2,414,690	2,022,935	1,986,596	2,022,890	1,877,730	1,831,685	1,548,918	1,426,278	1,154,680
<b>Total Business Type Activities Program Revenues</b>	<b>6,913,983</b>	<b>7,304,426</b>	<b>6,973,277</b>	<b>7,264,355</b>	<b>7,044,468</b>	<b>7,090,799</b>	<b>7,293,106</b>	<b>7,143,814</b>	<b>7,493,456</b>	<b>7,075,181</b>
<b>Total District Program Revenues</b>	<b>\$ 16,457,373</b>	<b>\$ 16,016,127</b>	<b>\$ 15,091,117</b>	<b>\$ 15,582,805</b>	<b>\$ 16,815,223</b>	<b>\$ 14,843,417</b>	<b>\$ 17,160,992</b>	<b>\$ 19,952,460</b>	<b>\$ 15,562,357</b>	<b>\$ 15,513,778</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (298,799,401)	\$ (276,623,445)	\$ (258,727,374)	\$ (232,105,145)	\$ (228,571,826)	\$ (224,605,369)	\$ (217,133,255)	\$ (209,950,571)	\$ (207,486,038)	\$ (211,374,602)
Business-Type Activities	308,504	275,913	(808,490)	(104,460)	(468,571)	(271,679)	230,287	670,023	633,002	671,329
<b>Total Government-Wide Expense</b>	<b>\$ (298,490,897)</b>	<b>\$ (276,347,532)</b>	<b>\$ (259,535,864)</b>	<b>\$ (232,209,605)</b>	<b>\$ (229,040,397)</b>	<b>\$ (224,877,048)</b>	<b>\$ (216,902,968)</b>	<b>\$ (209,280,548)</b>	<b>\$ (206,853,036)</b>	<b>\$ (210,703,273)</b>

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	(as restated)									
<b>General Revenues &amp; Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 144,911,347	\$ 137,569,066	\$ 132,197,482	\$ 118,518,706	\$ 132,719,175	\$ 131,104,192	\$ 126,219,467	\$ 115,800,000	\$ 111,634,746	\$ 107,722,170
Taxes Levied for Debt Service	5,697,674	6,002,643	6,151,510	6,230,678	6,406,267	6,303,660	6,427,760	6,661,616	4,065,852	2,905,077
Unrestricted Grants & Contributions	138,865,669	126,812,212	118,915,604	98,565,195	85,456,375	84,568,143	77,052,160	84,341,484	80,995,846	96,786,228
Investment Earnings	28,209	4,788	2,341	1,268	5,445	7	54,155	27,210	210,337	725,695
Miscellaneous Income	1,065,489	1,246,460	852,447	665,152	3,477,887	3,538,549	3,517,281	2,214,528	2,916,172	8,406,356
Transfers	112,280	112,280	112,282	152,280	587,084	192,280	513,209			(50,000)
FEMA Reimbursement					165,674					
<b>Total Governmental Activities</b>	<b>290,680,668</b>	<b>271,747,449</b>	<b>258,231,666</b>	<b>224,133,279</b>	<b>228,817,907</b>	<b>225,706,831</b>	<b>213,784,032</b>	<b>209,044,838</b>	<b>199,822,953</b>	<b>216,495,526</b>
Special Item	5,000,000									
Extraordinary Item	365,782	899,703	589,976	2,280,374						
<b>Business-Type Activities:</b>										
Investment Earnings	975	584	626	1,075	1,325	1,954	4,225	5,291	16,561	102,635
FEMA Reimbursement			73,900							
Miscellaneous Income			82,646							
Transfers	(112,280)	(112,280)	(112,282)	(152,280)	(587,084)	(192,280)	(513,209)	-	-	50,000
<b>Total Business-Type Activities</b>	<b>(111,305)</b>	<b>(111,696)</b>	<b>44,890</b>	<b>(151,205)</b>	<b>(585,759)</b>	<b>(190,326)</b>	<b>(508,984)</b>	<b>5,291</b>	<b>16,561</b>	<b>152,635</b>
<b>Total Government-Wide</b>	<b>\$ 290,569,363</b>	<b>\$ 271,635,753</b>	<b>\$ 258,276,556</b>	<b>\$ 223,982,074</b>	<b>\$ 228,232,148</b>	<b>\$ 225,516,505</b>	<b>\$ 213,275,048</b>	<b>\$ 209,050,129</b>	<b>\$ 199,839,514</b>	<b>\$ 216,648,161</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ (2,752,951)	\$ (3,976,293)	\$ 94,268	\$ (5,691,492)	\$ 246,081	\$ 1,101,462	\$ (3,349,223)	\$ (905,733)	\$ (7,663,085)	\$ 5,120,924
Business-Type Activities	197,199	164,217	(763,600)	(255,665)	(1,054,330)	(462,005)	(278,697)	675,314	649,563	823,964
<b>Total District</b>	<b>\$ (2,555,752)</b>	<b>\$ (3,812,076)</b>	<b>\$ (669,332)</b>	<b>\$ (5,947,157)</b>	<b>\$ (808,249)</b>	<b>\$ 639,457</b>	<b>\$ (3,627,920)</b>	<b>\$ (230,419)</b>	<b>\$ (7,013,522)</b>	<b>\$ 5,944,888</b>

Source: CAFR Schedule A-2

Note: In the 2016 fiscal year, allocations were revised between various expense accounts.

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
**Unaudited**

	JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Restricted	\$ 14,975,296	\$ 14,493,814	\$ 12,842,765	\$ 9,390,561	\$ 5,887,107	\$ 5,974,848	\$ 5,796,119	\$ 9,069,361	\$ 13,302,560	\$ 14,626,844
Assigned	2,018,170	1,092,087	1,916,077	1,110,444	2,396,538	1,364,933				
Unassigned					474,200		(1,951,224)	3,330,513	2,144,003	5,108,372
<b>Total General Fund</b>	<b>\$ 16,993,466</b>	<b>\$ 15,585,901</b>	<b>\$ 14,758,842</b>	<b>\$ 10,501,005</b>	<b>\$ 8,757,845</b>	<b>\$ 7,339,781</b>	<b>\$ 3,844,895</b>	<b>\$ 12,399,874</b>	<b>\$ 15,446,563</b>	<b>\$ 19,735,216</b>
All Other Governmental Funds:										
Reserved							\$ 12,799	\$ 18,272	\$ 37,020	\$ 23,300
Restricted:										
Capital Projects Fund					\$ 1,108	\$ 114,112	236,647	239,675	1,113,128	4,824,617
Debt Service Fund	\$ 84,208	\$ 49	\$ 157,002	\$ 165,684	100,369	91,687	106,165	106,252	171	2,386,777
<b>Total All Other Governmental Funds</b>	<b>\$ 84,208</b>	<b>\$ 49</b>	<b>\$ 157,002</b>	<b>\$ 165,684</b>	<b>\$ 101,477</b>	<b>\$ 205,799</b>	<b>\$ 355,611</b>	<b>\$ 364,199</b>	<b>\$ 1,150,319</b>	<b>\$ 7,234,694</b>

Source: CAFR Schedule B-1

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
 Unaudited

FISCAL YEAR ENDING JUNE 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Tax Levy	\$ 150,609,021	\$ 143,571,709	\$ 138,348,992	\$ 124,749,384	\$ 139,125,442	\$ 137,407,852	\$ 132,647,227	\$ 122,461,616	\$ 115,700,598	\$ 107,722,170
Other Local Revenue	2,978,380	2,620,178	2,150,232	2,523,642	3,487,656	3,644,472	4,133,207	2,441,589	6,794,020	2,163,953
Restricted Grants-in-Aid - Ocean County							4,778	4,500	21,967	13,265
State Sources	95,495,409	92,004,137	88,717,248	85,733,921	87,060,718	81,872,704	76,746,160	84,137,134	82,176,131	92,094,702
Federal Revenue	494,916	7,810,536	9,501,970	12,831,274	353,171	2,695,439	301,222		6,866,649	
<b>Subtotal</b>	<b>249,577,726</b>	<b>246,006,560</b>	<b>238,718,442</b>	<b>225,838,221</b>	<b>230,026,987</b>	<b>225,620,467</b>	<b>213,832,594</b>	<b>209,044,839</b>	<b>211,559,365</b>	<b>201,994,090</b>
<b>Special Revenue:</b>										
Federal	6,802,961	6,534,583	6,120,186	6,162,773	6,849,177	6,836,288	8,231,588	11,626,193	6,866,649	6,844,541
State	830,725	808,188	702,210	596,876	964,064	810,414	1,074,527	1,182,453	1,202,252	1,647,646
<b>Total Revenues</b>	<b>257,211,412</b>	<b>253,349,331</b>	<b>245,540,838</b>	<b>232,597,870</b>	<b>237,840,228</b>	<b>233,267,169</b>	<b>223,138,709</b>	<b>221,853,485</b>	<b>219,628,266</b>	<b>210,486,277</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Instruction	98,785,657	96,460,261								
Regular Instruction			67,749,842	71,424,029	69,909,028	65,935,727	66,235,265	70,775,226	60,157,586	57,677,719
Special Education Instruction			13,449,986	16,319,752	15,511,096	14,817,304	13,913,417	13,682,035	12,867,969	12,112,797
Other Instruction			11,379,122	1,383,970	1,453,892	1,323,853	1,378,203	1,391,433	1,337,305	1,420,945
Vocational						1,564,781	1,515,261	1,792,949	1,883,453	1,959,154
School Sponsored/Other Instructional			3,638,816	2,806,100	3,730,381	3,699,586	4,006,264	6,484,121	4,395,856	4,540,810
Adult/Continuing Education Programs					17,637	28,290	23,848	27,573	22,427	5,123
<b>Support Services:</b>										
Tuition	5,135,651	3,944,585	4,275,708	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954	1,985,607
Student & Instruction Related Services	20,580,310	19,878,812	16,833,119	18,128,663	19,031,847	18,415,334	18,713,173	17,114,306	16,546,017	15,868,276
General Administration	3,877,107	3,229,855	2,846,459	2,300,496	2,238,220	1,913,430	2,237,326	2,740,117	2,400,865	2,619,296
School Administrative Services	7,730,391	7,504,228	10,912,587	10,720,294	10,076,204	10,017,867	10,150,928	10,713,775	10,424,275	7,056,575
Central services	2,146,758	2,074,046								
Administrative information technology	1,551,109	1,609,660								
Plant Operations & Maintenance	16,450,307	16,273,944	17,289,882	17,275,268	17,348,622	15,848,523	17,398,949	19,645,580	19,427,536	22,603,208
Student Transportation	11,575,212	11,271,722	11,551,517	12,552,552	11,695,418	11,314,786	10,923,759	12,933,062	13,748,617	13,909,398
Business & Other Support Services									292	
Unallocated Benefits	80,117,455	80,832,203	73,918,744	71,706,026	75,107,138	74,118,411	68,242,373	62,267,473	52,799,752	59,469,404



**TOMS RIVER REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenditures (continued):</b>										
Special Schools	\$ 32,276	\$ 31,169	\$ 26,635	\$ 27,538	\$ 31,000	\$ 26,900	\$ 42,143	\$ 46,691	\$ 55,059	\$ 53,778
Capital Projects Fund					113,004	43,740	8,501	1,092,353	7,515,483	11,482,678
Debt Service Fund	6,455,314	6,511,486	6,519,548	6,537,969	6,765,667	6,772,384	6,766,561	7,011,966	7,107,723	6,789,447
Capital Outlay:										
Equipment	2,636,870	1,471,730	2,301,535	2,325,038	921,527	1,182,495	852,188	273,988	1,014,401	528,583
Facilities Acquisition & Construction Services	1,387,668	2,597,507	1,362,825	1,518,998	602,484	406,962	400,772	160,413		
<b>Total Expenditures</b>	<b>258,462,085</b>	<b>253,691,208</b>	<b>244,056,325</b>	<b>239,150,904</b>	<b>237,701,370</b>	<b>230,415,682</b>	<b>224,879,832</b>	<b>228,820,659</b>	<b>214,092,570</b>	<b>220,082,798</b>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(1,250,673)	(341,877)	1,484,513	(6,553,034)	138,858	2,851,487	(1,741,123)	(6,967,174)	5,535,696	(9,596,521)
<b>Other Financing Sources/(Uses):</b>										
Transfers Out	(455,910)			(22)	(4,324)				(300,000)	(50,000)
Transfers In	568,190	112,280	112,282	152,302	587,084	192,280	513,209			
Proceeds from Community Disaster Loan (CDL)			411,148	4,588,852						
Refunding bonds issued	6,055,000									
Payment to bond refunding escrow agent	(6,022,525)									
Non-Federal Cost Share Reimbursement Program proceeds funded by Community Development Block Grant	25,022									
Capital Leases (Nonbudgeted)	2,206,838		1,651,236	1,338,895	426,450	301,307	180,134			
<b>Total Other Financing Sources (Uses)</b>	<b>2,376,615</b>	<b>112,280</b>	<b>2,174,666</b>	<b>6,080,027</b>	<b>1,009,210</b>	<b>493,587</b>	<b>693,343</b>	<b>-</b>	<b>(300,000)</b>	<b>(50,000)</b>
Extraordinary Item	365,782	899,703	589,976	2,280,374						
<b>Net Change in Fund Balances</b>	<b>\$ 1,491,724</b>	<b>\$ 670,106</b>	<b>\$ 4,249,155</b>	<b>\$ 1,807,367</b>	<b>\$ 1,148,068</b>	<b>\$ 3,345,074</b>	<b>\$ (1,047,780)</b>	<b>\$ (6,967,174)</b>	<b>\$ 5,235,696</b>	<b>\$ (9,646,521)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%	3.5%	3.3%

Source: District records CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Note: In the 2016 fiscal year, allocations were revised between various expense accounts.

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*Unaudited*

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	PRIOR YEAR REFUNDS	NET DONATIONS	E Rate	RENTAL INCOME	TRANSPORTATION	SALE OF SOLAR RENEWABLE ENERGY CREDITS	MISCELLANEOUS	TOTAL
2017	\$ 28,209	\$ 1,457,109			\$ 225,000	\$ 127,076	\$ 67,099	\$ 365,735	\$ 319,490	\$ 2,589,718
2016	4,788	1,143,509			602,780	145,635	84,530	485,024	12,974	2,479,240
2015	2,341	1,031,474	\$ 265		300,000	128,231	78,113	229,013	185,477	1,954,914
2014	1,246	1,292,661	11,316			140,966	83,096	460,199	338,241	2,327,725
2013	5,437	1,325,068				165,676	121,638		1,231,420	2,849,239
2012		1,416,542				164,538	149,326		1,764,000	3,494,406
2011	54,073	870,836				104,019	180,438		1,862,613	3,071,979
2010	26,918	400,375	20,606	\$ 163,706		84,422	127,018		1,418,402	2,241,447
2009	208,104	428,009	863,856	107,744		88,520	90,457		1,326,637	3,113,327
2008	686,927	496,449		785,522		99,604	146,741			2,215,243

Source: District records

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**ASSESSED VALUE AND VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

YEAR ENDED DECEMBER 31, <b>BOROUGH OF BEACHWOOD</b>	ESTIMATED NET ASSESSED/TAXABLE VALUATIONS
2017	\$ 807,205,944
2016	803,231,600
2015	1,002,554,600
2014	1,004,086,500
2013	1,010,656,000
2012	1,018,095,300
2011	1,019,970,687
2010	1,020,998,700
2009	1,042,734,166
2008	1,017,531,946
 <b>TOWNSHIP OF TOMS RIVER</b>	
2017	\$ 12,840,826,260
2016	12,672,646,060
2015	12,524,602,960
2014	12,460,318,018
2013	11,389,473,485
2012	16,353,737,465
2011	16,986,477,060
2010	17,155,320,796
2009	17,221,567,478
2008	15,892,450,260
 <b>BOROUGH OF PINE BEACH</b>	
2017	\$ 247,433,325
2016	246,598,826
2015	245,057,300
2014	244,468,238
2013	244,264,100
2012	301,485,400
2011	302,358,228
2010	302,167,066
2009	319,505,115
2008	314,323,357
2007	291,013,315
 <b>BOROUGH OF SOUTH TOMS RIVER</b>	
2017	\$ 220,876,359
2016	220,503,621
2015	271,377,300
2014	277,255,530
2013	277,442,693
2012	281,070,781
2011	282,485,773
2010	282,917,127
2009	283,439,208
2008	281,869,428

Source: Municipal Tax Offices. Beginning with 2010, net taxable values were used from the abstract of ratables for Ocean County

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate per \$100 of Assessed Value)*  
*Unaudited*

ASSESSMENT YEAR	SCHOOL DISTRICT	BOROUGH / TOWNSHIP	OCEAN COUNTY & OTHER	TOTAL	
<b>BOROUGH OF BEACHWOOD</b>					
2017	\$	1.027 \$	0.873 \$	0.451 \$	2.351
2016		1.033	0.865	0.434	2.332
2015		0.080	0.673	0.362	1.831
2014		0.756	0.674	0.353	1.783
2013		0.741	0.673	0.354	1.768
2012		0.730	0.650	0.344	1.724
2011		0.731	0.622	0.337	1.690
2010		0.716	0.585	0.334	1.635
2009		0.666	0.559	0.320	1.545
2008		0.627	0.533	0.316	1.476
<b>TOWNSHIP OF TOMS RIVER</b>					
2017	\$	1.123 \$	0.649 \$	0.497 \$	2.269
2016		1.083	0.648	0.481	2.212
2015		1.044	0.612	0.471	2.127
2014		1.014	0.584	0.430	2.028
2013		0.992	0.544	0.431	1.961
2012		0.778	0.412	0.348	1.538
2011		0.739	0.377	0.335	1.451
2010		0.706	0.347	0.317	1.370
2009		0.634	0.290	0.308	1.232
2008		1.636	0.816	0.825	3.277
<b>BOROUGH OF PINE BEACH</b>					
2017	\$	1.050 \$	0.780 \$	0.460 \$	2.290
2016		1.003	0.740	0.457	2.230
2015		1.003	0.693	0.469	2.165
2014		0.963	0.660	0.456	2.079
2013		0.937	0.650	0.421	2.008
2012		0.785	0.499	0.370	1.654
2011		0.785	0.484	0.361	1.630
2010		0.738	0.469	0.347	1.554
2009		0.700	0.465	0.338	1.503
2008		0.651	0.460	0.333	1.444
<b>BOROUGH OF SOUTH TOMS RIVER</b>					
2017	\$	0.958 \$	1.485 \$	0.420 \$	2.863
2016		0.950	1.430	0.414	2.794
2015		0.751	1.089	0.343	2.183
2014		0.710	1.050	0.341	2.101
2013		0.702	1.009	0.325	2.036
2012		0.725	0.951	0.335	2.011
2011		0.732	0.888	0.338	1.958
2010		0.696	0.862	0.341	1.899
2009		0.643	0.786	0.320	1.749
2008		0.602	0.749	0.318	1.669

Source: Starting with 2010, Ocean County Board of Taxation, breakdown of tax rates

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

EXHIBIT J-8

TAXPAYER	2017			TAXPAYER	2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE
<b>BEACHWOOD TOP TEN</b>							
CYS HEALTH CORP	\$ 3,289,900	1	0.41%	LIPTON, DAVID	\$ 4,387,000	1	0.43%
DCTN3 385 BEACHWOD NJ LLC	2,875,200	2	0.36%	CLAYTON, LEWIS M	2,521,000	2	0.25%
CLAYTON, LEWIS M	2,119,000	3	0.26%	TOWN & COUNTRY BAKERY	2,038,300	3	0.20%
TOWN & COUNTRY BAKERY	1,605,500	4	0.20%	CRANBERRY ROAD, LLC	2,016,400	4	0.20%
LIPTON, DAVID	1,572,300	5	0.19%	CLANCY, FRANCIS, & CORRINE	1,967,300	5	0.19%
MOOREHOUSE SPEEDWELL LTD PTNSHP	1,400,900	6	0.17%	RITE AID CORP	1,544,100	6	0.15%
RITE AID CORP	1,380,000	7	0.17%	MILAS, PETER & MARIA	1,369,300	7	0.13%
STONE FIRE GRILLE LLC	1,157,000	8	0.14%	SCHLITTE, MICHAEL & CYNTHIA	1,352,400	8	0.13%
FEDERAL NATIONAL MORTGAGE ASSOC	1,069,200	9	0.13%	MOOREHOUSE-SPEEDWELL LTD	1,327,200	9	0.13%
MILAS, PETER & MARIA	1,046,500	10	0.13%	PANDURE, JOSEPH	1,323,300	10	0.13%
	<u>\$ 17,515,500</u>						
<b>TOMS RIVER TOP TEN</b>							
CPL @SIMON PROPERTY GROUP LP	3,150,900	1	0.02%	CPL @SIMON PROPERTY GROUP LP	220,000,000	1	1.55%
FAIRWAYS AT BEY LEA	1,286,450	2	0.01%	CIBA SPECIALTY CHEMICALS	80,460,000	2	0.57%
BASF CORPORATION	980,280	3	0.01%	SDD INC @ D DONOFRIO	60,473,800	3	0.43%
SDD INC@ D DONOFRIO	910,260	4	0.01%	J&I REALTY ASSOC LLC@AAC MGT	40,806,900	4	0.29%
J&I REALTY ASSOC LLC @AAC MGNT	754,322	5	0.01%	SP ACQUISITION ASSOC @ PYNE CO.	40,000,000	5	0.28%
SEACOURT PAVILION LLC	700,200	6	0.01%	FAIRWAYS AT BEY LEA LLC	34,622,600	6	0.24%
EAST COAST HOLIDAY ON THE BAY LLC	623,110	7	0.00%	INDIAN HEAD PLAZA ASSOC @ JK MGT	27,571,100	7	0.19%
VILLAGE AT BEY LEA	461,953	8	0.00%	909 RT 37 WEST@ CRONHEIM	23,999,000	8	0.17%
1256 IHR ASSOCIATES LLC	438,167	9	0.00%	AC I TOMS RIVER LLC	23,571,500	9	0.17%
DOVER PARKADE LLC @PARAMOUNT RLTY	409,325	10	0.00%	DOVER PARKADE LLC @PARAMOUNT RTY	22,380,000	10	
	<u>\$ 9,714,966</u>						
<b>SOUTH TOMS RIVER TOP TEN</b>							
LIGHTHOUSE PT MARINA & YACHT	\$ 3,717,700	1	1.68%	LIGHTHOUSE PT MARINA & YACHT	\$ 3,716,300	1	1.32%
PPM HOLDING COMPANY LLC	3,411,500	2	1.54%	PPM HOLDING COMPANY LLC	3,232,700	2	1.15%
MOROS, ZACK SR & ROULA	1,760,100	3	0.80%	LORLIN REALTY INC	2,235,600	3	0.79%
LORLIN REALTY INC	1,636,300	4	0.74%	STORAGE MALL TOMS RIVER LLC	1,821,400	4	0.65%
LEGEND REALTY ASSOCIATES LLC	1,355,500	5	0.61%	MOROS, ZACK SR & ROULA	1,714,000	5	0.61%
TRADEWINDS MARINA, INC	993,800	6	0.45%	TRADEWINDS MARINA, INC	1,420,500	6	0.50%
STORAGE MALL TOMS RIVER LLC	965,400	7	0.44%	BOYNTON, SUSAN	1,079,500	7	0.38%
RBC-NJ PROPERTIES, LLC	901,300	8	0.41%	MINI MALL INC	1,000,700	8	0.36%
BOYNTON, SUSAN	897,700	9	0.41%	RBC-NJ PROPERTIES, LLC	943,100	9	0.33%
MINI MALL INC	844,100	10	0.38%	LEGEND REALTY ASSOCIATES LLC	940,000	10	0.33%
	<u>\$ 16,483,400</u>						
<b>PINE BEACH TOP TEN</b>							
LA PIERRE INC	1,121,200	1	0.45%	Township unable to provide prior year information			
SOBIESKI, JAMES & GRAZIA	991,200	2	0.40%				
FINLEY, RAYMOND A III & DEBORAH	893,200	3	0.36%				
KAMMERMAN, PETER	891,800	4	0.36%				
CROWELL, GARY F & DEBORAH T	886,800	5	0.36%				
CANALE, JENNIE TRUSTEE	852,600	6	0.34%				
BERKELEY HOLDING CORP ETAL	821,100	7	0.33%				
TOUGHILL, SUSAN C	819,200	8	0.33%				
HILL FAMILY TRUST	809,600	9	0.33%				
SHRAMOVICH, PAUL F & SANDRA TRUST	764,900	10	0.31%				
	<u>\$ 8,851,600</u>						

Source: Township tax office

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

*Unaudited*

CALENDAR YEAR ENDED JUNE 30,	TOTAL TAX LEVY	AMOUNT	PERCENTAGE OF LEVY
<b>Borough of Beachwood</b>			
2017	N/A	N/A	N/A
2016	\$ 18,733,655	\$ 18,385,739	97.62%
2015	18,388,302	17,860,771	97.13%
2014	17,953,574	17,378,788	96.79%
2013	17,906,306	17,293,794	96.57%
2012	17,577,539	17,077,645	97.16%
2011	17,269,528	16,928,427	96.30%
2010	16,733,588	16,173,953	96.66%
2009	15,784,498	15,293,527	96.89%
2008	15,052,335	14,585,758	96.90%
<b>Township of Toms River</b>			
2017	N/A	N/A	N/A
2016	\$ 291,569,688	\$ 285,868,733	88.04%
2015	277,610,168	271,732,211	97.88%
2014	261,260,304	255,561,780	97.81%
2013	231,047,482	225,649,792	97.66%
2012	260,499,876	249,136,567	95.64%
2011	254,757,257	246,018,967	96.57%
2010	242,727,698	235,626,904	97.07%
2009	118,269,202	113,188,256	95.70%
2008	212,485,362	207,940,875	97.86%
<b>Borough of Pine Beach</b>			
2017	N/A	N/A	N/A
2016	\$ 5,509,089	\$ 5,434,150	98.63
2015	5,331,898	5,246,053	98.29%
2014	5,100,301	3,484,655	97.41%
2013	4,911,915	4,148,088	97.67%
2012	4,989,339	4,836,665	96.94%
2011	4,928,439	4,850,570	98.42%
2010	4,699,487	4,581,889	97.50%
2009	4,539,269	4,400,340	96.94%
2008	4,340,945	4,245,010	97.79%
<b>Borough of South Toms River</b>			
2017	N/A	N/A	N/A
2016	\$ 6,185,377	\$ 6,101,081	97.17%
2015	5,943,841	5,674,371	95.47%
2014	5,766,765	5,413,165	93.87%
2013	5,663,235	5,349,728	94.46%
2012	5,656,016	5,309,391	93.87%
2011	5,540,073	5,288,930	95.47%
2010	5,395,819	5,153,044	95.50%
2009	4,962,865	4,754,738	95.81%
2008	4,730,142	4,493,635	95.00%

N/A

Information is not available.

Source: Municipal Tax Offices

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					TOTAL DISTRICT	% OF <sup>2</sup> PERSONAL INCOME	OCEAN COUNTY PER CAPITA <sup>2</sup>
	GENERAL <sup>1</sup> OBLIGATION BONDS	COMMUNITY DISASTER LOAN	NOTES PAYABLE	CAPITAL LEASES				
2017	\$ 49,080,000	\$ -	\$ 1,097,004	\$ 6,639,890	\$ 56,816,894	N/A	N/A	
2016	53,405,000	5,000,000	1,279,838	3,027,893	62,712,731	N/A	N/A	
2015	57,705,000	5,000,000	1,462,672	4,174,756	68,342,428	N/A	N/A	
2014	61,830,000	4,588,852	1,645,506	1,587,537	69,651,895	N/A	\$43,214	
2013	65,975,000		2,929,431	663,143	69,567,574	N/A	N/A	
2012	67,394,000		3,197,210	455,380	71,046,590	N/A	N/A	
2011	70,799,000		3,461,507	143,426	74,403,933	N/A	40,724	
2010	74,069,000		3,275,537	156,609	77,501,146	1.73%	40,291	
2009	77,369,000		4,682,119	219,765	82,270,884	1.96%	39,331	
2008	80,114,000		7,145,487	325,618	87,585,105	2.18%	40,975	

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

<sup>1</sup>Includes Early Retirement Incentive Plan (ERIP) Refunding.

<sup>2</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar years.

N/A-information not available.

Source: District CAFR Schedules I-1, I-2, I-2a, footnotes and District records.

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2017	\$ 49,080,000	0.35%	N/A
2016	53,405,000	0.38%	N/A
2015	57,705,000	0.41%	N/A
2014	61,830,000	0.39%	N/A
2013	65,975,000	0.51%	N/A
2012	67,394,000	0.38%	\$618.15
2011	70,799,000	0.38%	651.82
2010	76,426,667	0.40%	707.03
2009	81,133,249	0.46%	720.83
2008	80,114,000	0.51%	717.15

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

N/A-information not available.



**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2017**  
*Unaudited*

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Toms River Regional Schools		100%	\$ 53,405,000
Net Overlapping Debt of School District:			
Beachwood		100%	25,389,130
Toms River		100%	153,131,101
Pine Beach		100%	5,434,150
South Toms River		100%	<u>708,166</u>
Total Direct & Overlapping Debt			<u><u>\$ 238,067,547</u></u>

Sources: Ocean County Office of the Treasurer, Beachwood, Toms River Township, Pine Beach and South Toms River.

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 Beachwood, Toms River Township, Pine Beach and South Toms River. 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.

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.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)  
Unaudited**

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 637,576,714	\$ 624,209,152	\$ 646,632,009	\$ 622,212,017	\$ 707,198,011	\$ 746,186,283	\$ 751,626,286	\$ 694,120,977	\$ 649,556,991	\$ 622,630,583
Total Net Debt Applicable to Limit	48,995,792	53,404,951	57,705,000	61,830,000	65,975,000	67,394,000	70,799,000	76,426,667	81,133,249	80,114,000
Legal Debt Margin	\$ 588,580,922	\$ 570,804,201	\$ 588,927,009	\$ 560,382,017	\$ 641,223,011	\$ 678,792,283	\$ 680,827,286	\$ 617,694,310	\$ 568,423,742	\$ 542,516,583
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.68%	8.56%	8.92%	9.94%	9.74%	9.46%	9.42%	11.01%	12.49%	12.87%

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized Valuation Basis
	2017     \$ 16,531,848,986
	2016     15,822,921,869
	2015     15,463,482,694
	<u>\$ 47,818,253,549</u>
Average Equalized Valuation of Taxable Property	<u>\$ 15,939,417,850</u>
Debt Limit (4 % of Average Equalization Value)	\$ 637,576,714
Net Bonded School Debt	<u>48,995,792</u>
Legal Debt Margin	<u>\$ 588,580,922</u>

Source: Equalized valuation bases were obtained from the Department of Education, regional allocation forms

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**  
*Unaudited*

YEAR	POPULATION (a)	OCEAN COUNTY PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATES(c)			
			BEACHWOOD	TOMS RIVER	PINE BEACH	S. TOMS RIVER
2017	N/A	N/A	N/A	N/A	N/A	N/A
2016	108,946	\$ N/A	4.9%	4.9%	4.6%	7.9%
2015	107,917	46,109	5.9%	5.7%	4.4%	8.2%
2014	108,430	44,453	6.6%	6.7%	6.8%	9.9%
2013	108,630	42,946	6.5%	8.6%	6.8%	7.6%
2012	109,026	42,603	11.0%	10.0%	8.9%	17.1%
2011	108,618	40,724	10.7%	9.9%	8.8%	16.8%
2010	108,095	40,291	10.3%	9.7%	8.4%	16.1%
2009	113,263	39,331	9.8%	9.4%	8.0%	15.4%
2008	112,324	40,975	5.9%	6.8%	4.8%	9.5%

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept. of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

<sup>b</sup> Per capita personal income by county estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

Not available - At the time of the filing of the 2017 audit, this information was not available.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

EMPLOYER	2017			2008		
	EMPLOYEES	RANK	TOTAL EMPLOYMENT	EMPLOYEES	RANK	TOTAL EMPLOYMENT
OCEAN COUNTY MALL	2,450	4	17.29%	NA		NA
ST. BARNABAS HEALTH CARE	2,786	2	19.66%	NA		NA
TOMS RIVER SCHOOLS	3,738	1	26.38%	NA		NA
OCEAN COUNTY GOVERNMENT	2,500	3	17.65%	NA		NA
OCEAN COUNTY COLLEGE	1,500	5	10.59%	NA		NA
TWP OF TOMS RIVER GOVERNMENT	694	6	4.90%	NA		NA
HEALTH SOUTH REHABILITATION	500	7	3.53%	NA		NA
	<u>14,168</u>					

Source: Township Official Statements

NA - Not Available

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010*	2009	2008
Instruction:										
Regular	959	972	977	983	968	948	940	1,043	1,100	1,178
Special Education	284	285	289	172	186	186	186	322	304	165
Other Special Instruction	1	1	1	1					3	3
Vocational						22	24	23	26	4
Support Services:										
Student & Instruction										
Related Services	278	270	268	261	261	248	261	40	46	68
School Administrative										
Services	154	153	159	155	158	163	163	137	102	124
General Administration	41	40	40	41	36	35	35	34	77	77
Plant Operations &										
Maintenance	246	257	265	265	258	265	271	272	175	178
Administrative Information										
Technology	14	17	17	18	18	17	18	18	19	11
Pupil Transportation	191	195	194	191	192	188	186	185	190	187
Other Support Services	112	120	115	119	123	124	125	121	111	87
<b>Total</b>	<b>2,280</b>	<b>2,310</b>	<b>2,325</b>	<b>2,206</b>	<b>2,200</b>	<b>2,196</b>	<b>2,209</b>	<b>2,195</b>	<b>2,153</b>	<b>2,082</b>

\* In 2010, there was a change in allocation methodology for staff

Source: District Personnel Records

**TOMS RIVER REGIONAL SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2017	15,788	\$247,982,233	\$15,707	2.0%	1,243	14.2	15,602.8	14,755.4	-1.3%	94.6%
2016	15,908	243,110,485	15,282	4.0%	1,258	15.2	15,812.0	14,963.0	0.2%	94.6%
2015	15,856	233,872,417	14,750	2.2%	1,269	14.6	15,783.8	14,919.8	-2.2%	94.5%
2014	16,182	228,770,177	14,137	-0.9%	1,274	14.1	16,134.0	15,222.9	-2.6%	94.4%
2013	16,596	230,742,699	13,904	3.2%	1,276	14.1	16,556.4	15,620.2	-1.4%	94.3%
2012	16,804	218,104,770	12,979	N/A	1,261	14.4	16,787.4	15,842.4	-1.1%	94.4%
2011	17,020	218,104,770	12,815	-4.7%	1,253	14.3	16,975.6	15,938.0	-0.7%	93.9%
2010	17,170	228,820,659	13,327	2.9%	1,265	N/A	17,090.1	16,071.8	-0.5%	94.0%
2009	17,239	222,461,471	12,905	-2.7%	1,295	N/A	17,169.8	16,144.2	-0.4%	94.0%
2008	17,396	228,524,985	13,137	0.5%	1,350	N/A	17,230.5	16,185.3	-2.0%	93.9%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

- a Starting with 2011, operating expenditures equal total expenditures less debt service and capital projects (J-4).
- 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 (SRS).
- d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

TOMS RIVER REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
*Unaudited*

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010*	2009*	2008*
Elementary Schools:										
Beachwood (1988):										
Square Feet	70,445	70,445	70,445	70,445	70,445	70,445	70,445	70,445		
Capacity	786	786	786	786	786	786	786	786		
Enrollment	536	569	569	578	584	591	586			
Cedar Grove (1971):										
Square Feet	132,194	132,194	132,194	132,194	132,194	132,194	132,194	132,194		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment (a)	873	873	873	841	878	883	920			
Citta (1999):										
Square Feet	70,581	70,581	70,581	70,581	70,581	70,581	70,581	70,581		
Capacity	844	844	844	844	844	844	844	844		
Enrollment	666	637	637	632	653	672	670			
East Dover (1954):										
Square Feet	97,718	97,718	97,718	97,718	97,718	97,718	97,718	97,718		
Capacity	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182		
Enrollment	689	685	685	723	770	757	767			
Hooper Avenue (1965):										
Square Feet	89,063	89,063	89,063	89,063	89,063	89,063	89,063	89,063		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment	729	726	726	743	755	756	723			
North Dover (1956):										
Square Feet	70,492	70,492	70,492	70,492	70,492	70,492	70,492	70,492		
Capacity	855	855	855	855	855	855	855	855		
Enrollment	556	596	596	607	632	649	667			
Pine Beach (1953):										
Square Feet	58,341	58,341	58,341	58,341	58,341	58,341	58,341	58,341		
Capacity	614	614	614	614	614	614	614	614		
Enrollment	442	437	437	450	447	440	466			
Silver Bay (1972):										
Square Feet	112,930	112,930	112,930	112,930	112,930	112,930	112,930	112,930		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment	648	611	611	645	654	662	693			
South Toms River (1982):										
Square Feet	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940		
Capacity	587	587	587	587	587	587	587	587		
Enrollment	351	352	352	368	357	375	367			
Walnut Street (1965):										
Square Feet	87,663	87,663	87,663	87,663	87,663	87,663	87,663	87,663		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment	790	757	757	799	840	843	845			
Washington Street (1960):										
Square Feet	49,890	49,890	49,890	49,890	49,890	49,890	49,890	49,890		
Capacity	533	533	533	533	533	533	533	533		
Enrollment	412	379	379	390	393	385	402			
West Dover (1963):										
Square Feet	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442		
Capacity	656	656	656	656	656	656	656	656		
Enrollment	394	393	393	390	403	407	407			

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
*Unaudited***

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010*	2009*	2008*
<b>Middle Schools:</b>										
East (1962):										
Square Feet	259,829	259,829	259,829	259,829	259,829	259,829	259,829	259,829		
Capacity	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518		
Enrollment	1,368	1,349	1,349	1,426	1,450	1,467	1,512			
North (1974):										
Square Feet	178,332	178,332	178,332	178,332	178,332	178,332	178,332	178,332		
Capacity	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610		
Enrollment	1,265	1,279	1,279	1,335	1,387	1,423	1,412			
South (2005):										
Square Feet	194,382	194,382	194,382	194,382	194,382	194,382	194,382	194,382		
Capacity	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242		
Enrollment	1,083	1,080	1,080	1,044	1,049	1,052	1,065			
<b>High Schools:</b>										
East (1979):										
Square Feet	241,420	241,420	241,420	241,420	241,420	241,420	241,420	241,420		
Capacity	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980		
Enrollment	1,385	1,491	1,491	1,551	1,614	1,606	1,666			
North (1969):										
Square Feet	404,277	404,277	404,277	404,277	404,277	404,277	404,277	404,277		
Capacity	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421		
Enrollment	2,212	2,366	2,366	2,381	2,295	2,210	2,311			
South (1951):										
Square Feet	172,344	172,344	172,344	172,344	172,344	172,344	172,344	172,344		
Capacity	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421		
Enrollment	1,389	1,394	1,394	1,436	1,427	1,397	1,506			
Other Buildings:										
Central Administration:										
Square Feet	79,417	79,417	79,417	79,417	79,417	79,417	79,417	79,417		
Transportation Compound										
Square Feet	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800		
Facilities Compound										
Square Feet	32,325	32,325	32,325	32,325	32,325	32,325	32,325	32,325		

Number of Schools at June 30, 2017:

Elementary Schools = 12  
Middle Schools = 3  
Senior High Schools = 3  
Other = 3

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count (October 2010), full and shared students on roll  
Source ASSA

\* For 2010 and prior (back to 2005), the District grouped schools by elementary, middle and high school. For 2011 and going forward, this information was broken down by individual school.



**TOMS RIVER REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
*Unaudited***

SCHOOL FACILITIES	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High Schools:										
East	\$ 363,707	\$ 269,290	\$ 348,805	\$ 313,760	\$ 320,434	\$ 286,299	\$ 257,878	\$ 332,722	\$ 50,893	\$ 114,428
North	478,281	446,710	516,070	509,932	466,800	445,221	423,319	549,600	71,788	65,327
South	261,994	197,690	264,716	221,601	233,675	250,554	179,389	232,319	62,349	72,272
Intermediate Schools:										
East	309,351	298,380	329,238	330,525	303,214	291,563	260,478	349,560	35,084	19,739
North	241,971	201,871	238,157	289,648	247,295	222,066	205,757	240,699	35,788	28,315
South	232,510	208,274	232,440	220,012	211,386	214,785	202,992	260,753	14,065	30,645
Elementary Schools:										
Beachwood	87,227	76,182	86,271	83,985	85,340	78,146	75,315	103,149	12,488	22,660
Cedar Grove	185,562	142,519	159,389	157,219	146,542	140,367	142,394	188,818	17,864	10,533
Joseph A. Citta	88,484	77,026	92,973	92,249	105,432	84,021	78,382	139,651	12,058	18,013
East Dover	134,050	112,893	121,165	109,113	109,458	103,931	105,275	136,544	9,401	12,839
Hooper Avenue	107,183	100,484	112,355	110,407	103,876	108,156	114,434	116,688	24,040	21,015
North Dover	88,108	79,927	93,573	86,996	81,429	85,764	78,720	89,940	8,082	20,079
Pine Beach	70,719	60,596	71,768	66,157	66,510	64,431	66,679	160,947	20,698	19,353
Silver Bay	152,421	137,683	148,137	126,846	127,044	120,175	117,101	86,267	10,858	24,038
South Toms River	74,338	72,114	73,395	71,257	69,387	69,950	65,135	144,249	13,815	13,951
Walnut Street	103,767	121,588	109,624	102,222	98,827	95,540	90,339	75,063	6,694	8,481
Washington Street	63,256	54,136	61,827	66,450	61,550	57,268	52,728	84,839	18,694	11,313
West Dover	67,115	62,780	68,899	68,281	76,706	69,818	64,120	104,586	15,904	10,721
Subtotal	3,110,044	2,720,145	3,128,802	3,026,660	2,914,905	2,788,055	2,580,435	3,396,394	440,563	523,722
Other Facilities	162,411	153,811	170,323	74,256	149,484	148,916	140,277	221,489	3,121,847	2,822,695
Grand Total	\$ 3,272,455	\$ 2,873,956	\$ 3,299,125	\$ 3,100,916	\$ 3,064,389	\$ 2,936,971	\$ 2,720,712	\$ 3,617,883	\$ 3,562,410	\$ 3,346,417

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017  
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE / SIR</u>
Excess General Liability/ Auto Liability	\$11,000,000/ \$25,000,000	\$300,000
Excess Workers Compensation	Statutory	650,000
Property Coverage for Claims Against Fire, Damage or Other Losses, Including boiler & Machinery, Physical Plant Structure & Inland Marine	50,000,000	100,000
Professional Liability - Incidental Medical Malpractice	1,000,000/25,000,000	300,000
Underground Storage Tank	1,000,000/3,000,000	25,000
Bonds:		
Commercial Crime/Employee Dishonesty Bond	1,000,000	1,000
Public Employees Faithful Performance	725,000	Treasurer
Position Bond	5,000	Business Administrator
Position Bond	5,000	Board Secretary
Excess Student Accident	5,000,000	25,000

Source: District Records

# Single Audit Section

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*

Independent Auditors' Report

Honorable President and  
Members of the Board of Education  
Toms River Regional School District  
Toms River, New Jersey  
County of Ocean

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the Toms River Regional School District, in the County of Ocean, New Jersey (the "District") as of and for the year ended June 30, 2017, 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 4, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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.

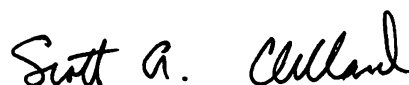
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Scott Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

December 4, 2017  
Livingston, New Jersey

Report on Compliance For Each Major Federal and State Program and  
Report on Internal Control Over Compliance Required by the  
Uniform Guidance and New Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and  
Members of the Board of Education  
Toms River Regional School District  
Toms River, New Jersey  
County of Ocean

**Report on Compliance for Each Major Federal and State Program**

We have audited the Toms River Regional School District's, in the County of Ocean, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2017. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District'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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New

Jersey 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 District'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 District's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the District 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, 2017.

### **Report on Internal Control Over Compliance**

Management of the District 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 District's internal control over compliance with the types 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 New Jersey 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 the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *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 or 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.

**Purpose of this Report**

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



Scott Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

December 4, 2017  
Livingston, New Jersey



Toms River Regional School District  
Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant or State Project Number	Year ended June 30, 2017		Balance at June 30, 2016	Carryover/Walkover Amount	Cash Received	Total Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2017		
					Grant Period								Unearned Revenue	(Accounts Receivable)	Due to Grantor
					From	To									
<b>General Fund:</b>															
<b>U.S. Department of Health and Human Services</b>															
-Passed-Through State Department of Education															
Medicaid Assistance Program	93.778	1705NJ5MAP	\$ 474,287	N/A	7/1/16	6/30/17			\$ 474,287	\$ (474,287)					
Medicaid Assistance Program - ARRA	93.778	1705NJ5MAP	20,629	N/A	7/1/16	6/30/17			20,629	(20,629)					
Medicaid Assistance Program	93.778	1605NJ5MAP	468,175	N/A	7/1/15	6/30/16	\$ (128,206)		128,206						
							(128,206)		623,122	(494,916)					
<b>U.S. Department of Housing and Urban Development</b>															
-Passed-Through State Department of Education															
Community Development Block Grant - Non-Federal Cost Share Reimbursement Program	14.269	B13D8340001	25,022	N/A	7/1/16	6/30/17			25,022	(25,022)					
Total General Fund							(128,206)		648,144	(519,938)					
<b>U.S. Department of Education--Passed-Through State Department of Education</b>															
<b>Special Revenue Fund:</b>															
Title I, Part A	84.010A	S010A160030	2,075,393	NCLB-2940	7/1/16	6/30/17			1,425,569	(2,207,450)	\$ (29)		\$ (781,910)		
Title I, Part A	84.010A	S010A150030	1,945,939	NCLB-2940	7/1/15	6/30/16	(827,713)		827,713						
Title I, Part A	84.010A	S010A140030	1,745,460	NCLB-2940	7/1/14	6/30/15		29		(29)					
Title II A	84.367	S367A160029	516,753	NCLB-2940	7/1/16	6/30/17			374,260	(516,753)				(142,493)	
Title II A	84.367	S367A150029	542,036	NCLB-2940	7/1/15	6/30/16	(189,559)		189,559						
<b>Language Instruction for English Learners and Immigrant Students:</b>															
Title III	84.365	S365A160030	62,804	NCLB-2940	7/1/16	6/30/17			51,627	(62,817)		13		(11,177)	
Title III	84.365	S365A150030	37,963	NCLB-2940	7/1/15	6/30/16	(4,019)		4,019						
Title III - Immigrant	84.365	S365A160030	12,682	NCLB-2940	7/1/16	6/30/17			3,440	(12,682)				(9,242)	
Title III - Immigrant	84.365	S365A150030	12,963	NCLB-2940	7/1/15	6/30/16	(6,741)		6,741						
Subtotal Language Instruction for English Learners and Immigrant Students							(10,760)		65,827	(75,499)		13		(20,419)	
<b>Special Education Grant Cluster:</b>															
I.D.E.A., Part B	84.027A	H027A160100	4,021,297	FT294008	7/1/16	6/30/17			3,627,678	(3,761,930)				(134,252)	
I.D.E.A., Part B	84.027A	H027A150100	4,052,435	FT294008	7/1/15	6/30/16	(332,524)		332,524						
I.D.E.A. Preschool	84.173A	H173A160114	124,669	PS294007	7/1/16	6/30/17			69,628	(124,669)		83		(54,958)	
I.D.E.A. Preschool	84.173A	H173A150114	123,954	PS294007	7/1/15	6/30/16	(33,946)		33,946						
Subtotal of Special Education Grant Cluster							(366,470)		4,063,776	(3,886,599)		83		(189,210)	
<b>U.S. Department of Homeland Security</b>															
Passed-through State Department of Education															
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not available	106,173	N/A	10/29/12	6/30/17			106,173	(106,173)					
<b>U.S. Environmental Protection Agency</b>															
National Clean Diesel Rebate Program															
	66.040	Not available	180,000	N/A	12/13/16	9/13/17				(170,000)				(170,000)	
<b>U.S. Department of Education--Passed-Through Arts Midwest</b>															
NEA Big Read															
	45.024	DCA-2016-05	14,000	N/A	7/1/16	8/31/18				(8,080)				(8,080)	
Total Special Revenue Fund							(1,394,473)		7,052,877	(6,970,583)		67		(1,312,112)	
<b>U.S. Department of Agriculture--Passed-Through State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
<b>Child Nutrition Program Cluster:</b>															
Food Donation Program (NC)	10.555	17171NJ304N1099	319,363	N/A	7/1/16	6/30/17			319,363	(311,955)			\$ 7,408		
Food Donation Program (NC)	10.555	16161NJ304N1099	399,660	N/A	7/1/15	6/30/16	3,564			(3,564)					
National School Lunch Program	10.555	17171NJ304N1099	1,478,956	N/A	7/1/16	6/30/17			1,376,003	(1,478,956)				(102,953)	
National School Lunch Program	10.555	16161NJ304N1099	1,504,726	N/A	7/1/15	6/30/16	(270,278)		270,278						
Healthy Hunger-Free Kids Act	10.555	17171NJ304N1099	45,238	N/A	7/1/16	6/30/17			42,195	(45,238)				(3,043)	
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	47,073	N/A	7/1/15	6/30/16	(8,208)		8,208						
National School Breakfast Program	10.553	17171NJ304N1099	431,326	N/A	7/1/16	6/30/17			396,469	(431,326)				(34,857)	
National School Breakfast Program	10.553	16161NJ304N1099	422,060	N/A	7/1/15	6/30/16	(85,047)		85,047						
Total Child Nutrition Program Cluster							(359,969)		2,497,563	(2,271,039)			7,408	(140,853)	
<b>U.S. Department of Homeland Security - Direct</b>															
Federal Emergency Management Agency (PEMA)															
	97.036		173,632	N/A	7/1/12	6/30/15	(90,294)							(90,294)	
Total Enterprise Fund							(430,263)		2,497,563	(2,271,039)			7,408	(231,147)	
Total Federal Awards							\$ (1,972,942)	\$ -	\$ 10,198,584	\$ (9,761,560)	\$ -	\$ 67	\$ 7,408	\$ (1,543,259)	\$ -

NC-non cash expenditures

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.



## Toms River Regional School District

### Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2017

#### **1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal and state awards programs of the Board of Education, Toms River Regional School District (the "District"). The District is defined in Note 1 to the basic financial statements. All federal and state awards received from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

#### **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 enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

#### **3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the basic financial statements and present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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 fiscal 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 of accounting with the exception of the revenue recognition of the two last state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent year due to the state deferral and recording of the last state aid payments in the subsequent year.

**3. Relationship to Basic Financial Statements (continued)**

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 payments in the current budget year, consistent with NJSA 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$108,402 for the general fund and \$197,232 for the special revenue fund. See note 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. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$179,963 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 494,916	\$ 95,145,161	\$ 95,640,077
Special Revenue Fund	6,802,961	830,725	7,633,686
Debt Service Fund		350,248	350,248
Food Service Enterprise Fund	2,271,039	40,580	2,311,619
Total award revenues	<u>\$ 9,568,916</u>	<u>\$ 96,366,714</u>	<u>\$ 105,935,630</u>

Federal awards on the Schedule of Expenditures of Federal Awards include \$25,022 for the Non-Federal Cost Share Reimbursement Program, funded by the Community Development Block Grant, which has been recorded as an Other Financing Source on the Schedules C-1 and B-2.

**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.

Toms River Regional School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2017

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

The post retirement pension, disability and medical benefits received on-behalf of the District for the year ended June 30, 2017 amounted to \$18,626,938. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08. However, they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. FEMA Community Disaster Loan ("CDL")**

The District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for a \$5,000,000 total loan and chose to withdraw \$4,588,852 during the 2013-14 fiscal year and the remaining available balance of \$411,148 during the 2014-15 fiscal year. This loan was reviewed by FEMA and has been fully cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period.

**7. Adjustments**

The adjustments presented on schedule K-3 represent the cancellation of prior year accounts receivable.

**8. Indirect Costs**

The District did not use the 10% de minimis indirect cost rate.

Toms River Regional School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2017

**Part I—Summary of Auditors Results**

**Financial Statement Section**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      Yes   X   No

Significant deficiency(ies) identified?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

**Federal Awards Section**

Internal control over major federal programs:

Material weakness(es) identified?      Yes   X   No

Significant deficiency(ies) identified?      Yes   X   None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?      Yes   X   No



Toms River Regional School District  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2017

**Part I—Summary of Auditors Results (continued)**

**State Awards Section**

Internal control over major state programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No  
 Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None reported

Type of auditors' report issued on compliance for major state programs: \_\_\_\_\_   Unmodified  

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? \_\_\_\_\_ Yes   X   No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
	<b>General State Aid Cluster</b>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-101	Professional Learning Community Aid

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_   \$2,334,847  

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No



Toms River Regional School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2017

**Part II—Schedule of Financial Statement Findings**

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Toms River Regional School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2017

**Part III–Schedule of Federal and State Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**Federal Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

**State Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

Toms River Regional School District  
Summary Schedule of Prior Audit Findings

June 30, 2017

Not applicable.