

# School District Of Toms River



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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ending June 30, 2010**

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Year Ended June 30, 2010

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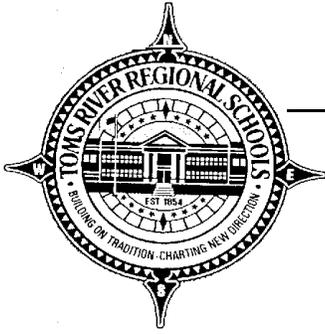
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## **Introductory Section**

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# TOMS RIVER REGIONAL SCHOOLS

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1144 Hooper Avenue, Toms River, NJ 08753  
(732) 505-5510 (732) 505-5511

November 30, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Toms River School District for the fiscal year ending June 30, 2010 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 fairly present the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, is included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Toms River School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups 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 handicapped youngsters. The District Residential Enrollment for 2009-2010 school year decreased by 150 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last 21 years. These figures are based upon average daily enrollment.

## *Average Daily Enrollment*

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u># Students (+/-)</u>	<u>Percent Change</u>
1989-90	15,783.3		
1990-91	15,759.3	-24.0	0.0015%-
1991-92	15,938.3	+179.0	0.0114%+
1992-93	15,986.7	+48.0	0.0030%+
1993-94	16,197.4	+210.7	0.0132%+
1994-95	16,513.1	+315.7	0.020%+
1995-96	16,848.8	+335.7	0.021%+
1996-97	17,168.6	+319.8	0.019%+
1997-98	17,227.9	+59.3	0.0035%+
1998-99	17,375.8	+147.9	0.0086%+
1999-00	17,444.1	+68.3	0.0040%+
2000-01	17,666.5	+222.5	0.0128%+
2001-02	17,864.6	+198.1	0.0113%+
2002-03	18,081.2	+216.6	0.0122%+
2003-04	18,185.3	+104.1	0.0057%+
2004-05	18,121.6	- 63.7	0.0035% -
2005-06	17,851.4	- 270.2	0.0149% -
2006-07	17,634.4	-217.0	0.0154%-
2007-08	17,396.5	-237.9	0.0196%-
2008-09	17,239.8	-156.7	0.00352%-
2009-10	17,090.1	-149.7	0.00868%-

**2. ECONOMIC CONDITION AND OUTLOOK:** Due to local, state, and federal economic conditions, revenue expected for 2009-10 fell short of our desired outcome. Interest earned was at an all time low, and the State of New Jersey has again delayed payment of the final two State Aid payments for the year, totaling \$7,108,751 for 2009-10. Additionally, in 2009-10, due to Executive Order #14, the district initially lost \$3,845,544 more in State Aid that was budgeted for, but after an appeal to the Commissioner of Education, the district's final loss of State Aid was \$1,562,107. The District Solar Initiative continued to pay dividends to the taxpayers of the Toms River Regional School District through the sale of "Renewable Energy Credits" and the production of our own electricity. Additionally, the District has stabilized future inflationary energy costs through the participation in energy auctions for electric and gas resulting in stable energy unit costs for the 2010-11 fiscal year.

The 2010-2011 school budget was approved by voters in April 2010 and the budget as presented provides for a thorough and efficient education. Although the budget was approved, property taxes increased due to the State cutting nearly \$9.8 million in aid compared to our original 2009-10 State Aid allocation. The increase in property taxes, coupled with the recent Township property revaluation, may cause additional pressure on the local taxpayer. The district remains concerned about the status of the economy, the fiscal health of the State of New Jersey, ongoing litigation, and the effect of all legislation that could have a negative impact on the efficiency or quality of our school system.

### **3. MAJOR INITIATIVES:**

**"Algebra and Geometry for All":** The school year 09-10 saw the continuation of the implementation of the three-year "Algebra for All" and "Geometry for All" initiatives for all high school students.

**Mobile Learning Devices:** Through a cooperative financial arrangement with Verizon Wireless, a pilot program was introduced where fifth grade students used mobile learning devices to complete academic projects and assignments. This initiative will be expanded to sixth grade students in the 2010-2011 school year.

NJ PEMSM: Through a partnership with Rutgers University, the first cohort of intermediate school math teachers took part in a Masters Degree program in mathematics. This program was designed to deepen teacher knowledge of mathematics and to develop strategies to enhance student learning in the subject area.

Writing Labs: All three high schools offered a writing program after school, Monday through Thursday, where honor students provide peer tutoring to assist others with writing assignments.

Project Rise: As a result of the ARRA Title One funding for the 09-10 school year, the Project Rise program was added to basic skills in six of our elementary schools. This program included 24 classrooms that targeted and differentiated instruction for students identified using a variety of criteria. The additional resources significantly lowered class size allowing a more favorable student to teacher ratio for basic skills students.

**4. INTERNAL ACCOUNTING CONTROLS:** Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The District is also charged with the responsibility of periodic evaluation of this internal control structure.

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial 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 for sound financial management.

**8) DEBT ADMINISTRATION:** As of June 30, 2010, long-term liabilities consist of:

Bonds payable	\$ 74,069,000
Accrued Interest on the Bonds	\$ 853,019
Capital leases payable	\$ 156,608
Notes payable	\$ 3,275,536
Compensated absences	\$ 15,138,400
Total:	\$ 93,492,563

**9) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**10) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

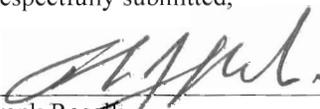
**11) OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cowan, Gunteski & Company, CPA's, was selected by the Board's audit committee. In addition to meeting the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB, the auditor's report includes financial statements and combines 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.

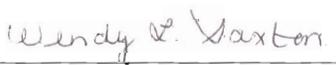
**12) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

  
\_\_\_\_\_  
Frank Roselli  
Interim Superintendent

  
\_\_\_\_\_  
William Boering  
Business Administrator

  
\_\_\_\_\_  
Wendy L. Saxton  
Board Secretary

# **TOMS RIVER, NEW JERSEY**

*ROSTER OF OFFICIALS*

*JUNE 30, 2010*

## **Term**

### **Members of the Board of Education Expires**

Linda Garvey, President 2011

Edward F. Gearity, Vice President 2013

Thomas Baxter                      2013

Michael A. Jedziniak              2013

Jamie Ann Jubert                    2012

Gus Kakavas                        2012

Meera Malik                         2011

John Reuther                        2012

Betty Vasil                         2011

### **Other Officials**

Frank J. Roselli, Interim Superintendent

Wendy L. Saxton, Board Secretary

Mathew K. Varley, Treasurer

Thomas Monahan, Attorney

**TOMS RIVER BOARD OF EDUCATION**  
**Organizational Chart**  
**(Unit Control)**

**Toms River Board of Education**

Frank J. Roselli  
Interim Superintendent of Schools

Vacant  
Assistant Superintendent  
Grades 9-12  
Affirmative Action

William J. Doering  
Business Administrator

William A. Cardone  
Assistant Superintendent  
Grades K-5  
Curriculum

Wendy L. Saxton  
Board Secretary

Debra McKenna  
Assistant Superintendent  
Grades 6-8  
Affirmative Action

## **Financial Section**

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## COWAN, GUNTESKI & Co., P.A.

Certified Public Accountants and Consultants

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

#### Compliance

We have audited the compliance of the Board on Education of the Toms River Regional School District, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Toms River Regional School District's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Toms River Regional School District Board of Education's management. Our responsibility is to express an opinion on the Toms River Regional School District Board of Education's compliance based on our audit.

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 Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Toms River Regional School District Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Toms River Regional School District Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Toms River Regional School District, in the County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-01.

### Internal Control Over Compliance

The management of the Board of Education of the Toms River Regional School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Toms River Regional School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Toms River Regional School District Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of the Toms River Regional School District's Board of Education, the New Jersey State Department of Education, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



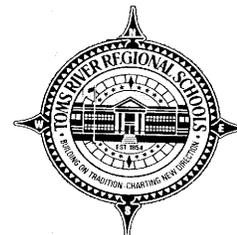
William C. McNamara  
Licensed Public School Accountant  
No. CS02023  
Cowan, Guteski & Co., P.A.

Toms River, New Jersey  
November 29, 2010

**Required Supplementary Information - Part I**

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# *Toms River Board of Education*



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## Management's Discussion and Analysis

Toms River Regional School District is a K-12 school District located in Ocean County, New Jersey. The Administration's Discussion and Analysis, a requirement of GASB 34, is intended to be the Toms River Regional School District Administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2010.

Generally accepted accounting principles (GAAP) according to GASB 34 require the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Certain comparative information between the current year (2009-2010) and prior years, is required to be presented in the MD&A. Prior-year comparative data was presented in order to provide a more meaningful comparative analysis of the government wide data.

### **District Wide Financial Statements:**

These statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, regardless of whether they are "currently available" or not. For example, assets that are restricted for use in the Debt Funds solely for the payment of long term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Assets of the District wide financial statements.

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Toms River Board of Education as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The chart on the following page will provide an outline of the sections and information contained herein:

**Comprehensive Annual Financial Report**

**Introductory Section**

*Transmittal letter*

*Elected Officials, Administrative Officers, Consultants and Advisors*

*Organizational Chart*

**Financial Section**

*Independent Auditors' Report*

*Required Supplemental Information (Part A)*

**Management's Discussion and Analysis**

*Basic Financial Statements*

*District Wide Financial Statements*

Notes to the Basic Financial Statements

*Required Supplemental Information (Part B)*

Budgetary Information for Major Fund Groups  
Supplemental Information

Non major Funds combining Statements & Budgetary Information  
Agency Funds Statements/Schedules  
Capital Assets by Source and Function

**Statistical Section**

*Financial Trends*

*Revenue Capacity*

*Debt Capacity*

*Demographic and Economic Information*

*Operating Information*

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

### *The Statement of Net Assets and the Statement of Activities*

While these documents contain the large number of funds used by the School Board to provide programs and activities, the view of the School Board as a whole looks at all financial transactions and asks the question, “How did the School Board do financially during the fiscal year ending June 30, 2010?” The Statements of Net Assets and Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to accounting method used by most private sector companies. This basis of accounting considers all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board’s assets, the difference between assets and liabilities, and changes in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board has improved or diminished. The relationship between revenues and expenses is the School Board’s *operating results*. However, the School Board’s goal is to provide services to its students, not to generate profits as commercial entities do. One must consider many other non financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Summary Statement of Net Assets (Attachment A) and summary Statement of Activities (Attachment B) contain all of the School Board’s services under Governmental activities including instruction, plant services, transportation, and business office operations. The statement also includes all business type activities including food service, corporate center, and day care.

## **Financial Highlights**

This section should be read in conjunction with Attachment A and Attachment B. Key financial highlights for the fiscal year ended June 30, 2010, compared to June 30, 2009, are as follows:

From the summary Statement of Net Assets (Attachment A), the total net assets of the district went up from \$51 million at June 30, 2009 to \$54.2 million at June 30, 2010, or an increase of \$3.2 million. This is due to an increase in governmental assets, including the timing of depreciation of capital compared to the debt pay down schedules for the corresponding assets. Accounts payable is significantly higher at June 30, 2010 due to the district having to borrow \$3.5 million in June 2010 due to the cash flow challenges created by the reduction in State Aid in 2009-10, coupled with the State’s delay in paying the final two State Aid payments for the year.

From the summary Statement of Activities (Attachment B), total expenditures for all our programs were \$229.2 million for the school year 2009-2010. This is higher than the prior year due to several factors, including the one-time ARRA funds. Taxes, state aid, grants and other revenue sources resulted in a total revenue amount of \$229 million, which is also higher than the prior year. This is

higher due to the one-time ARRA funds and the change in fixed assets for the prior year. The difference between the expenditures and the revenues for 2009-10, coupled with the auditor's prior period adjustment of \$3.4 million, resulted in the increase in net assets of \$3.2 million compared to the prior year.

The District of Toms River remains committed to sound financial management practices in response to the challenges posed by a stagnant economy and the state budget crisis. Overall revenues are expected to decrease this year as costs continue to increase for salaries, healthcare, and routine expenses. However, the district will continue to try to find new ways to fund programs that target student achievement. Our goal will continue to be to provide a quality education for all of our students while maintaining a balanced and efficient budget.

## Attachment A

<b>Assets:</b>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>
Governmental Activities				
Cash & Cash equivalents	\$6,844,495	\$10,658,274	\$22,292,431	\$18,363,150
Receivables, net	\$10,518,984	\$6,267,536	\$5,327,340	\$15,643,773
Interfund Receivable		\$1,287,240		
Capital assets, net	\$124,673,638	\$127,010,169	\$134,309,791	\$153,670,085
Total Governmental Activities	\$142,037,117	\$145,223,219	\$161,929,562	\$187,677,008
Business-type Activities				
Cash & Cash equivalents	\$3,600,889	\$3,335,782	\$2,809,613	\$2,057,558
Prepaid Expenses	\$0	\$0	\$29,978	\$36,932
Receivables, net	\$141,913	\$99,310	\$50,609	\$43,062
Inventory	\$67,448	\$84,810	\$66,791	\$69,151
Other current assets	\$81,941	\$58,189		
Capital assets, net	\$6,553,808	\$6,229,997	\$6,047,827	\$5,956,740
Total Business Activities	\$10,445,999	\$9,808,088	\$9,004,818	\$8,163,443
Total Assets	<u>\$152,483,116</u>	<u>\$155,031,307</u>	<u>\$170,934,380</u>	<u>\$195,840,451</u>
<b>Liabilities:</b>				
Governmental Activities				
Accounts payable	\$4,049,460	\$293,244	\$353,639	\$3,887,231
Accrued Interest	\$853,019	\$902,755	\$1,423,622	\$1,439,213
Payable to federal government	\$25	\$16,812	\$98	\$70,516
Payable to state government	\$10,409	\$1,896	\$40,458	\$15,201
Payable to Other Fund	\$38,941	\$1,287,240		
Deferred revenue	\$500,571	\$16,976	\$255,666	\$224,508
Non current liabilities:			\$9,974,016	\$109,662,450
Due within one year	\$3,558,307	\$4,590,260		
Due beyond one year	\$89,081,237	\$96,674,492	\$96,651,062	
Total Governmental Activities	\$98,091,969	\$103,783,675	\$108,698,561	\$115,299,119
Business-type Activities				
Accounts payable	\$57,425	\$93,317	\$28,675	\$176
Deposits payable	\$47,925	\$44,707	\$65,122	
Payable to state government				
Deferred revenue	\$62,691	\$67,421	\$33,917	
Tenant security deposit				
Non current liabilities beyond one year			\$92,585	\$202,710
Total Business Activities	\$168,041	\$205,445	\$220,299	\$202,886
Total Liabilities	<u>\$98,260,010</u>	<u>\$103,989,120</u>	<u>\$108,918,860</u>	<u>\$115,502,005</u>
Net Assets:	<u>\$54,223,106</u>	<u>\$51,042,187</u>	<u>\$62,015,520</u>	<u>\$80,338,446</u>
<b>Net Assets:</b>				
Governmental Activities				
Invested in capital assets	\$47,172,494	\$45,657,155	\$45,301,064	\$49,367,861
Restricted Debt, Capital, Other	\$364,199	\$1,150,319	\$7,211,394	\$13,178,624
Unrestricted	-\$3,591,545	-\$5,367,930	\$718,543	\$9,831,404
Total Governmental Activities	\$43,945,148	\$41,439,544	\$53,231,001	\$72,377,889
Business-type Activities				
Invested in capital assets	\$6,553,808	\$6,229,997	\$99,152	\$5,956,740
Debt Service				
Unrestricted	\$3,724,150	\$3,372,646	\$8,685,367	\$2,003,817
Total Business Activities	\$10,277,958	\$9,602,643	\$8,784,519	\$7,960,557
Total Net Assets	<u>\$54,223,106</u>	<u>\$51,042,187</u>	<u>\$62,015,520</u>	<u>\$80,338,446</u>
Total Liabilities & net assets	<u>\$152,483,116</u>	<u>\$155,031,307</u>	<u>\$170,934,380</u>	<u>\$195,840,451</u>

## Attachment B

<b>General Revenue:</b>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Governmental Activities				
Taxes:				
Property Taxes	\$115,800,000	\$111,634,746	\$107,722,170	\$104,580,126
Debt Services	\$6,661,616	\$4,065,852	\$2,905,077	\$5,696,185
Federal & State Non Restricted	\$84,341,484	\$80,995,846	\$96,822,552	\$91,249,757
Investments Earnings	\$27,210	\$220,613	\$725,695	\$1,322,053
* Miscellaneous Income	\$1,687,037	\$2,586,756	\$8,377,027	\$6,454,803
Change in Fixed Assets	\$0	-\$4,327,698	-\$94,521	\$265,000
<i>Total Governmental Activities</i>	<u>\$208,517,347</u>	<u>\$195,176,115</u>	<u>\$216,458,000</u>	<u>\$209,567,924</u>
Business - Type Activities				
Investments Earnings	\$5,291	\$16,561	\$102,635	\$199,709
Miscellaneous Income		\$168,563	\$0	\$0
Transfers		\$0	\$50,000	-\$265,000
* Tuition Received	\$400,375	\$428,009	\$496,449	\$255,598
* Pupil Transportation	\$127,018	\$90,457	\$146,741	\$235,126
Food Services	\$3,372,171	\$3,836,181	\$3,627,630	\$3,555,113
Corporate Center	\$937,439	\$787,549	\$911,139	\$808,487
Day Care Center	\$443,058	\$443,142	\$946,880	\$374,901
Community Center	\$842,228	\$1,000,306	\$434,852	\$3,149,057
<i>Total Business - Type Activities</i>	<u>\$6,127,580</u>	<u>\$6,770,768</u>	<u>\$6,716,326</u>	<u>\$8,312,991</u>
Operating Grants & Contributions				
Instruction Regular	\$10,823,116	\$6,030,395	\$6,577,752	\$2,972,984
Support Services instruction	\$1,985,530	\$2,038,506	\$1,898,371	\$5,585,701
Interest Long Term Debt				
Total Governmental activities	<u>\$12,808,646</u>	<u>\$8,068,901</u>	<u>\$8,476,123</u>	<u>\$8,558,685</u>
Food Services		\$1,426,278	\$1,154,680	\$1,091,843
Total Business - Type Activities	<u>\$1,548,918</u>	<u>\$1,426,278</u>	<u>\$1,154,680</u>	<u>\$1,091,843</u>
<i>Total Operating Grants &amp; Contributions</i>	<u>\$14,357,564</u>	<u>\$9,495,179</u>	<u>\$9,630,803</u>	<u>\$9,650,528</u>
Capital Grants & Contributions (EDA)				
<b>Total Revenue</b>	<u><b>\$229,002,491</b></u>	<u><b>\$211,442,062</b></u>	<u><b>\$232,805,129</b></u>	<u><b>\$227,531,443</b></u>
<b>Expenses:</b>				
Governmental Activities				
Instruction				
Regular	\$96,723,532	\$91,725,377	\$93,536,995	\$89,870,917
Special education	\$20,409,347	\$18,581,171	\$20,714,414	\$17,564,667
Other special instruction	\$2,085,579	\$1,936,770		
Vocational	\$2,633,777	\$2,648,657	\$2,903,990	\$2,852,252
Other instructional	\$8,041,855	\$7,839,463	\$7,973,294	\$14,302,033
Summer School / Sat Review	\$39,201	\$31,901	\$6,739	\$33,604
Tuition	\$667,598	\$2,387,954	\$1,985,607	\$1,321,587
Student and instruction related services	\$25,149,439	\$23,444,250	\$24,040,993	\$22,942,557
School administrative services	\$15,757,271	\$14,759,196	\$14,628,839	\$15,889,798
General administrative services	\$3,314,477	\$2,904,801	\$3,195,660	\$3,300,177
Plant operation and maintenance	\$24,895,033	\$24,101,000	\$24,340,331	\$23,474,472
Pupil transportation	\$16,639,502	\$16,955,034	\$17,762,071	\$17,054,409
Business and other support services	\$0	\$0	\$0	\$101
Special Schools	\$69,862	\$80,057	\$82,316	\$98,019
Interest and Other Charges	\$3,255,648	\$3,428,108	\$3,922,942	\$4,527,522
Unallocated depreciation	\$3,077,096	\$4,731,200	\$4,719,971	\$5,217,244
<i>Total Governmental Activities</i>	<u>\$222,759,217</u>	<u>\$215,554,939</u>	<u>\$219,814,162</u>	<u>\$218,449,359</u>
Business - Type Activities				
Food Services	\$4,713,932	\$4,922,710	\$4,820,133	\$5,175,046
Corporate Center	\$926,541	\$982,127	\$956,268	\$1,120,698
Day Care Center	\$463,157	\$329,498	\$311,310	\$296,583
Community Center	\$370,161	\$626,118	\$316,141	\$2,803,277
<i>Total Business - Type Activities</i>	<u>\$6,473,791</u>	<u>\$6,860,453</u>	<u>\$6,403,852</u>	<u>\$9,395,604</u>
<b>Total Expenses</b>	<u><b>\$229,233,008</b></u>	<u><b>\$222,415,392</b></u>	<u><b>\$226,218,014</b></u>	<u><b>\$227,844,963</b></u>
Prior Period Adjustment	\$3,411,436			
<b>Increase in Net Assets</b>	<u><b>\$3,180,919</b></u>	<u><b>-\$10,973,330</b></u>	<u><b>\$6,587,115</b></u>	<u><b>-\$313,520</b></u>

## **Basic Financial Statements**

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## **District-wide Financial Statements**

TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,844,495	\$ 3,600,889	\$ 10,445,384
Receivables	10,518,984	141,913	10,660,897
Inventory	-	67,448	67,448
Other Current Assets	-	81,941	81,941
Capital Assets, net	<u>124,673,638</u>	<u>6,553,808</u>	<u>131,227,446</u>
 Total Assets	 <u>\$ 142,037,117</u>	 <u>\$ 10,445,999</u>	 <u>\$ 152,483,116</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 4,049,460	\$ 57,425	\$ 4,106,885
Accrued Interest	853,019	-	853,019
Deposits Payable	-	47,925	47,925
Payable to Federal Government	25	-	25
Payable to State Government	10,409	-	10,409
Payable to Other Fund	38,941	-	38,941
Deferred Revenue	500,571	62,691	563,262
Current Portion of Long-Term Debt	3,558,307	-	3,558,307
Noncurrent Liabilities: Due Beyond One Year	<u>89,081,237</u>	<u>-</u>	<u>89,081,237</u>
 Total Liabilities	 <u>\$ 98,091,969</u>	 <u>\$ 168,041</u>	 <u>\$ 98,260,010</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	\$ 47,172,494	\$ 6,553,808	\$ 53,726,302
Restricted for:			
Debt Service	106,252	-	106,252
Capital Projects	257,947	-	257,947
Unrestricted	<u>(3,591,545)</u>	<u>3,724,150</u>	<u>132,605</u>
 Total Net Assets	 <u>\$ 43,945,148</u>	 <u>\$ 10,277,958</u>	 <u>\$ 54,223,106</u>

See Accompanying Notes and Independent Auditors' Report

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 96,723,532	\$ -	\$ 10,823,116	\$ -	\$ (85,900,416)	\$ -	\$ (85,900,416)
Special Education	20,409,347	-	-	-	(20,409,347)	-	(20,409,347)
Other Special Instruction	2,085,579	-	-	-	(2,085,579)	-	(2,085,579)
Vocational Education	2,633,777	-	-	-	(2,633,777)	-	(2,633,777)
Other Instruction	8,041,855	-	1,985,530	-	(6,056,325)	-	(6,056,325)
Adult/Continuing Education Programs	39,201	-	-	-	(39,201)	-	(39,201)
Support Services							
Tuition	667,598	-	-	-	(667,598)	-	(667,598)
Student and Instruction Related Services	25,149,439	-	-	-	(25,149,439)	-	(25,149,439)
General Administrative Services	3,314,477	-	-	-	(3,314,477)	-	(3,314,477)
School Administrative Services	15,757,271	-	-	-	(15,757,271)	-	(15,757,271)
Plant Operations and Maintenance	24,895,033	-	-	-	(24,895,033)	-	(24,895,033)
Student Transportation	16,639,502	-	-	-	(16,639,502)	-	(16,639,502)
Special Schools	69,862	-	-	-	(69,862)	-	(69,862)
Interest on Long-Term Debt	3,255,648	-	-	-	(3,255,648)	-	(3,255,648)
Unallocated Depreciation	3,077,096	-	-	-	(3,077,096)	-	(3,077,096)
<b>Total Governmental Activities</b>	<b>222,759,217</b>	<b>-</b>	<b>12,808,646</b>	<b>-</b>	<b>(209,950,571)</b>	<b>-</b>	<b>(209,950,571)</b>
<b>Business-Type Activities</b>							
Food Service	4,713,932	3,372,171	1,548,918	-	-	207,157	207,157
Corporate Center	926,541	937,439	-	-	-	10,898	10,898
Day Care Center	463,157	443,058	-	-	-	(20,099)	(20,099)
Community Center	370,161	842,228	-	-	-	472,067	472,067
<b>Total Business-Type Activities</b>	<b>6,473,791</b>	<b>5,594,896</b>	<b>1,548,918</b>	<b>-</b>	<b>-</b>	<b>670,023</b>	<b>670,023</b>
<b>Total Primary Government</b>	<b>\$ 229,233,008</b>	<b>\$ 5,594,896</b>	<b>\$ 14,357,564</b>	<b>\$ -</b>	<b>(209,950,571)</b>	<b>670,023</b>	<b>(209,280,548)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
					115,800,000	-	115,800,000
					6,661,616	-	6,661,616
					84,341,484	-	84,341,484
					27,210	5,291	32,501
					2,214,528	-	2,214,528
					209,044,838	5,291	209,050,129
Change in Net Assets					(905,733)	675,314	(230,419)
Net Assets—Beginning					41,439,445	9,602,644	51,042,089
Prior Period Change in Fund Balance					3,411,436	-	3,411,436
Net Assets—Ending					<u>\$ 43,945,148</u>	<u>\$ 10,277,958</u>	<u>\$ 54,223,106</u>

See Accompanying Notes and Independent Auditors' Report

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## **Fund Financial Statements**

## **Governmental Funds**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010

Exhibit B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,738,243	\$ -	\$ -	\$ 106,252	\$ 6,844,495
Receivables	7,448,669	2,611,435	458,880	-	10,518,984
Interfund Receivable	1,801,288	-	-	-	1,801,288
<b>Total Assets</b>	<b>\$ 15,988,200</b>	<b>\$ 2,611,435</b>	<b>\$ 458,880</b>	<b>\$ 106,252</b>	<b>\$ 19,164,767</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 3,549,385	\$ 500,075	\$ -	\$ -	\$ 4,049,460
Payable to Federal Government	-	25	-	-	25
Payable to State Government	-	10,409	-	-	10,409
Interfund Payable	-	1,600,355	200,933	-	1,801,288
Other Liabilities	38,941	-	-	-	38,941
Deferred Revenue	-	500,571	-	-	500,571
<b>Total Liabilities</b>	<b>3,588,326</b>	<b>2,611,435</b>	<b>200,933</b>	<b>-</b>	<b>6,400,694</b>
<b>Fund Balances</b>					
<b>Reserved for:</b>					
Encumbrances	1,037,499	-	18,272	-	1,055,771
Capital Reserve Account	2,442,392	-	-	-	2,442,392
Maintenance Reserve	2,640,288	-	-	-	2,640,288
Emergency Reserve	703,439	-	-	-	703,439
<b>Unreserved, reported in:</b>					
General Fund	5,576,256	-	-	-	5,576,256
Debt Service Fund	-	-	-	106,252	106,252
Capital Projects Fund	-	-	239,675	-	239,675
<b>Total Fund Balances</b>	<b>12,399,874</b>	<b>-</b>	<b>257,947</b>	<b>106,252</b>	<b>12,764,073</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,988,200</b>	<b>\$ 2,611,435</b>	<b>\$ 458,880</b>	<b>\$ 106,252</b>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$213,490,975 and the accumulated depreciation is \$88,817,337.

124,673,638

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	\$ 74,069,000
Accrued Interest on the Bonds	853,019
Capital Leases Payable	156,608
Notes Payable	3,275,536
Compensated Absences	15,138,400

(93,492,563)

Net Assets of Governmental Activities

**\$ 43,945,148**

See Accompanying Notes and Independent Auditors' Report

TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2010

Exhibit B-2

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 115,800,000	\$ -	\$ -	\$ 6,661,616	\$ 122,461,616
Tuition Charges	400,375	-	-	-	400,375
Transportation Fees	127,018	-	-	-	127,018
Interest on Investments	26,918	-	292	-	27,210
Miscellaneous	1,687,136	-	199,850	-	1,886,986
<b>Total Local Sources</b>	<b>118,041,447</b>	<b>-</b>	<b>200,142</b>	<b>6,661,616</b>	<b>124,903,205</b>
Intermediate Sources	4,500	-	-	-	4,500
State Sources	83,680,703	1,182,453	-	456,431	85,319,587
Federal Sources	-	11,626,193	-	-	11,626,193
<b>Total Revenues</b>	<b>201,726,650</b>	<b>12,808,646</b>	<b>200,142</b>	<b>7,118,047</b>	<b>221,853,485</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Regular Instruction	60,861,904	9,913,322	-	-	70,775,226
Special Education Instruction	13,682,035	-	-	-	13,682,035
Other Special Education	1,391,433	-	-	-	1,391,433
Vocational Education	1,792,949	-	-	-	1,792,949
Other Instruction	4,561,426	1,922,695	-	-	6,484,121
Adult Continuing Education	27,573	-	-	-	27,573
Tuition	667,598	-	-	-	667,598
Student and Instruction Related Services	17,114,306	-	-	-	17,114,306
General Administrative Services	2,740,117	-	-	-	2,740,117
School Administrative Services	10,713,775	-	-	-	10,713,775
Plant Operations and Maintenance	19,645,580	-	-	-	19,645,580
Student Transportation	12,933,062	-	-	-	12,933,062
Unallocated Benefits	61,309,896	957,577	-	-	62,267,473
Special Schools	46,691	-	-	-	46,691
<b>Debt Service</b>					
Principal	-	-	1,000,000	3,706,582	4,706,582
Interest and Other Charges	-	-	-	3,305,384	3,305,384
Capital Outlay	419,349	15,052	92,353	-	526,754
<b>Total Expenditures</b>	<b>207,907,694</b>	<b>12,808,646</b>	<b>1,092,353</b>	<b>7,011,966</b>	<b>228,820,659</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,181,044)	-	(892,211)	106,081	(6,967,174)
<b>Net Change in Fund Balances</b>	<b>(6,181,044)</b>	<b>-</b>	<b>(892,211)</b>	<b>106,081</b>	<b>(6,967,174)</b>
Fund Balance - July 1	15,446,563	-	1,150,158	171	16,596,892
Prior Period Adjustment	3,134,355	-	-	-	3,134,355
<b>Fund Balance - June 30</b>	<b>\$ 12,399,874</b>	<b>\$ -</b>	<b>\$ 257,947</b>	<b>\$ 106,252</b>	<b>\$ 12,764,073</b>

See Accompanying Notes and Independent Auditors' Report

TOMS RIVER REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2010

Exhibit B-3

Total net change in fund balances - governmental funds (from B-2) \$ (6,967,174)

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 useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense.

Depreciation expense	\$ (3,077,096)	
Capital outlay expenditures less disposals	<u>526,754</u>	(2,550,342)

Repayment of serial bonds is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 3,300,000

In the statement of activities, issuance of temporary notes increases the long-term liabilities and is recorded as a revenue source in the statement of activities. Conversely, payments of temporary notes decreases the long-term liabilities and are recorded as a expenditure in the statement of activities. 1,406,579

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. The accrued interest is an addition in the reconciliation. The payment of prior year interest is a deduction. The net reconciling amount is: 49,736

In the statement of activities, certain operating expenses, e.g. compensated expenses (vacations and sick time) 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 paid. When the paid amount exceeds the earned amount the difference is an addition to the reconciliation. 3,855,468

Change in net assets of governmental activities \$ (905,733)

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## **Proprietary Funds**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2010

Exhibit B-4

	Business-Type Activities - Enterprise Funds				Total
	Food Services	Corporate Center	Day Care Center	Community Center	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 1,158,947	\$ 67,513	\$ 267,649	\$ 2,106,780	\$ 3,600,889
Accounts Receivable	134,268	-	7,645	-	141,913
Other Current Assets	-	81,941	-	-	81,941
Inventories	67,448	-	-	-	67,448
<b>Total Current Assets</b>	<b>1,360,663</b>	<b>149,454</b>	<b>275,294</b>	<b>2,106,780</b>	<b>3,892,191</b>
<b>Noncurrent Assets</b>					
Capital Assets, net	386,007	5,836,711	331,090	-	6,553,808
<b>Total Assets</b>	<b>\$ 1,746,670</b>	<b>\$ 5,986,165</b>	<b>\$ 606,384</b>	<b>\$ 2,106,780</b>	<b>\$ 10,445,999</b>
<b>LIABILITIES</b>					
<b>Liabilities</b>					
Compensated Absences Payable	\$ 57,425	\$ -	\$ -	\$ -	\$ 57,425
Deferred Revenue	46,771	15,920	-	-	62,691
Tenant Security Deposits	-	47,925	-	-	47,925
<b>Total Liabilities</b>	<b>\$ 104,196</b>	<b>\$ 63,845</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168,041</b>
<b>NET ASSETS</b>					
Unrestricted	\$ 1,642,474	\$ 5,922,320	\$ 606,384	\$ 2,106,780	\$ 10,277,958
<b>Total Net Assets</b>	<b>\$ 1,642,474</b>	<b>\$ 5,922,320</b>	<b>\$ 606,384</b>	<b>\$ 2,106,780</b>	<b>\$ 10,277,958</b>

See Accompanying Notes and Independent Auditors' Report

TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2010

Exhibit B-5

	Business-Type Activities - Enterprise Fund				Total
	Food Services	Corporate Center	Day Care Center	Community Center	
Operating Revenues					
Charges for Services					
Daily Sales - Reimbursable Programs	\$ 1,387,903	\$ -	\$ -	\$ -	\$ 1,387,903
Daily Sales - Non-Reimbursable Programs	814,796	-	-	-	814,796
Special Functions	1,158,672	-	-	434,824	1,593,496
Fees Collected	10,800	-	443,058	49,237	503,095
Contributions and Donations from Private Sources	-	-	-	52,472	52,472
Rental Income	-	937,439	-	305,695	1,243,134
Total Operating Revenues	<u>3,372,171</u>	<u>937,439</u>	<u>443,058</u>	<u>842,228</u>	<u>5,594,896</u>
Operating Expenses					
Cost of Sales	1,984,791	-	-	-	1,984,791
Salaries	1,904,041	-	296,491	29,037	2,229,569
Employee Benefits	310,045	-	-	-	310,045
Other Purchased Professional Services	-	39,324	95,337	180,052	314,713
Cleaning, Repair and Maintenance Services	84,484	166,521	99	23,864	274,968
General Supplies	337,296	25	41,517	126,267	505,105
Rent	18,000	-	15,000	8,140	41,140
Travel	6,698	-	-	-	6,698
Communications	-	2,628	-	-	2,628
Utilities	30,000	311,089	-	-	341,089
Miscellaneous	12,911	196,598	-	2,800	212,309
Depreciation Expense	25,667	167,234	14,713	-	207,614
Amortization Expense	-	43,122	-	-	43,122
Total Operating Expenses	<u>4,713,933</u>	<u>926,541</u>	<u>463,157</u>	<u>370,160</u>	<u>6,473,791</u>
Operating (Loss) Income	<u>(1,341,762)</u>	<u>10,898</u>	<u>(20,099)</u>	<u>472,068</u>	<u>(878,895)</u>
Non-operating Revenues and (Expenses)					
State Sources					
State School Lunch Program	69,255	-	-	-	69,255
State School Breakfast Program	7,296	-	-	-	7,296
Federal Sources					
National School Lunch Program	1,273,152	-	-	-	1,273,152
National School Breakfast Program	85,674	-	-	-	85,674
Fruit and VEG Program	26,648	-	-	-	26,648
ARRA Food Services Grant	5,995	-	-	-	5,995
Food Distribution Program	73,898	-	-	-	73,898
Intermediate Revenue	7,000	-	-	-	7,000
Interest and Investment Revenue	3,860	128	183	1,120	5,291
Total Non-operating Revenues and (Expenses)	<u>1,552,778</u>	<u>128</u>	<u>183</u>	<u>1,120</u>	<u>1,554,209</u>
Change in Net Assets	211,016	11,026	(19,916)	473,188	675,314
Total Net Assets - July 1	1,431,458	5,911,294	626,300	1,633,592	9,602,644
Total Net Assets - June 30	<u>\$ 1,642,474</u>	<u>\$ 5,922,320</u>	<u>\$ 606,384</u>	<u>\$ 2,106,780</u>	<u>\$ 10,277,958</u>

See Accompanying Notes and Independent Auditors' Report

TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2010

Exhibit B-6

	Business-Type Activities - Enterprise Funds				Total
	Food Services	Corporate Center	Day Care Center	Community Center	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$ 3,329,948	\$ 935,594	\$ 443,010	\$ 842,228	\$ 5,550,780
Payments to Employees	(1,904,041)	-	(296,491)	(29,037)	(2,229,569)
Payments for Employee Benefits	(310,045)	-	-	-	(310,045)
Payments to Suppliers	(2,492,708)	(782,379)	(151,953)	(341,123)	(3,768,163)
Net Cash (Used by) Provided from Operating Activities	<u>(1,376,846)</u>	<u>153,215</u>	<u>(5,434)</u>	<u>472,068</u>	<u>(756,997)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
State Sources	76,551	-	-	-	76,551
Federal Sources	1,391,469	-	-	-	1,391,469
Operating Subsidies and Transfers to Other Funds	80,898	-	-	-	80,898
Net Cash Provided from Noncapital Financing Activities	<u>1,548,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,548,918</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Property and Construction	(96,370)	(162,985)	(272,751)	-	(532,106)
Net Cash Used by Capital and Related Financing Activities	<u>(96,370)</u>	<u>(162,985)</u>	<u>(272,751)</u>	<u>-</u>	<u>(532,106)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and Dividends	3,860	128	183	1,120	5,291
Net Cash Provided from Investing Activities	<u>3,860</u>	<u>128</u>	<u>183</u>	<u>1,120</u>	<u>5,291</u>
Net Increase (Decrease) in Cash and Cash Equivalents	79,562	(9,642)	(278,002)	473,188	265,106
Cash and Cash Equivalents — Beginning of Year	1,079,385	77,155	545,651	1,633,592	3,335,783
Cash and Cash Equivalents — End of Year	<u>\$ 1,158,947</u>	<u>\$ 67,513</u>	<u>\$ 267,649</u>	<u>\$ 2,106,780</u>	<u>\$ 3,600,889</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash (Used by) Provided from Operating Activities</b>					
Operating (Loss) Income	\$ (1,341,762)	\$ 10,898	\$ (20,099)	\$ 472,068	\$ (878,895)
<b>Adjustments to Reconcile Operating (Loss) Income to Net Cash (Used by) Provided from Operating Activities</b>					
Depreciation Expense and Net Amortization	25,667	167,916	14,713	-	208,296
(Increase) Decrease in:					
Accounts Receivable	(42,555)	-	(48)	-	(42,603)
Inventory	17,363	-	-	-	17,363
Other Current Assets	-	(23,754)	-	-	(23,754)
Increase (Decrease) in:					
Compensated Absences Payable	(35,892)	-	-	-	(35,892)
Deferred Revenue	333	(5,063)	-	-	(4,730)
Tenant Security Deposits	-	3,218	-	-	3,218
Total Adjustments	<u>(35,084)</u>	<u>142,317</u>	<u>14,665</u>	<u>-</u>	<u>121,898</u>
Net Cash (Used by) Provided from Operating Activities	<u>\$ (1,376,846)</u>	<u>\$ 153,215</u>	<u>\$ (5,434)</u>	<u>\$ 472,068</u>	<u>\$ (756,997)</u>

See Accompanying Notes and Independent Auditors' Report

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## **Fiduciary Funds**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2010

Exhibit B-7

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,385,033	\$ 89,902	\$ 5,487,253
Total Assets	\$ 5,385,033	\$ 89,902	\$ 5,487,253
<b>LIABILITIES</b>			
Payable to Student Groups	\$ -	\$ -	\$ 599,260
Savings Bond	-	-	1,286
Payroll Deductions and Withholdings	87,380	-	4,886,707
Total Liabilities	\$ 87,380	\$ -	\$ 5,487,253
<b>NET ASSETS</b>			
Fund Balance			
Held in Trust for Unemployment Claims and Other Purposes	\$ 5,297,653	\$ -	\$ -
Reserved for Scholarships	-	89,902	-
Total Net Assets	\$ 5,297,653	\$ 89,902	\$ -

See Accompanying Notes and Independent Auditors' Report

TOMS RIVER REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Fiscal Year Ended June 30, 2010

Exhibit B-8

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
<b>ADDITIONS</b>		
Contributions		
Plan Member	\$ 393,305	\$ -
Other	-	16,369
Total Contributions	393,305	16,369
Investment Earnings		
Interest	-	1,311
Total Additions	393,305	17,680
<b>DEDUCTIONS</b>		
Quarterly Contribution Reports	84,309	-
Unemployment Claims	286,737	-
Scholarship Payments	-	20,800
Service Charges	-	183
Total Deductions	371,046	20,983
Change in Net Assets	22,259	(3,303)
Net Assets - Beginning of the Year	5,275,394	93,205
Net Assets - End of the Year	\$ 5,297,653	\$ 89,902

See Accompanying Notes and Independent Auditors' Report

## **Notes to Financial Statements**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Toms River Regional School District ("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 GASB has issued codification of governmental accounting and financial standards dated June 30, 2000. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

This financial report has been prepared in accordance with GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. Significant changes included in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of its operations.
- Financial statements prepared using full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements. The more significant of the District's accounting policies are described below.

A. Reporting Entity:

The Toms River Regional School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the school district functions independently through a Board of Education. The Board consists of nine members elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Component units are legally separate organizations for which the school district is financially accountable. Component units may also include organizations that are fiscally dependent on the school district in that the school district approves their budget, the issuance of their debt, or the levy of taxes. The District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

The District also applies Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 to its governmental and business-type activities and proprietary funds provided they do not conflict with or contradict GASB pronouncements.

B. Basic Financial Statements – Government-wide Statements:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements. The government-wide financial statements categorize primary activities as either governmental or business-type.

The government-wide statement of net assets is reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – Government-wide Statements (Continued):

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions. The net costs by function are normally supported by general revenues (property taxes, unrestricted intergovernmental revenues and investment income). The direct expenses of a given function or business segment, including depreciation expense, are offset by program revenues. Program revenues must be directly associated with the functional expense and includes charges for services, operating grants restricted to a specific function and capital grants and contributions.

The District does not allocate indirect costs. In creating the government-wide financial statements the District has eliminated interfund transactions.

The District maintains a policy of utilizing restricted resources first in financing qualified activities.

C. Basic Financial Statements – Fund Financial Statements:

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Governmental resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect the expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types - Governmental funds are those funds through which most of the District's functions are typically financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Types:

Enterprise (Food Service) Fund: This enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements – Fund Financial Statements (Continued):

cost (i.e. expenses including depreciation expense and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Corporate Center: In April 1997 the District acquired a commercial office building for \$6,347,009. The District's administrative offices are maintained and currently several ancillary school services are being incorporated. The District renovated vacant office space for use as additional classrooms, 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: The Daycare Center ("Center") is run as its own separate entity. The Center provides services to both district employees, and non-employees. The Center operates from September to June and is open 180 days per year.

Community Center: The Community Center is a facility which is used as the high school gymnasium during school hours and is rented to other parties for various sporting events, trade shows, and concerts during after school hours.

Fiduciary Fund Types:

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.

Expendable Trust Funds (Unemployment Compensation Insurance Fund and Scholarship Fund): Expendable trust funds are used to account for assets held under the terms of a formal trust agreement, whereby the District may make expenditures against both the trust principal and any interest earned thereon.

Agency Funds (Payroll and Student Activities 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.

Account Groups:

In addition to the funds listed above, the District maintains two account groups as follows:

General Fixed Assets Account Group: All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Fixed assets related to food service operations and the childcare program are accounted for in the enterprise fund and are considered fund fixed assets.

General Long-Term Debt Account Group: All unmatured general long-term liabilities of the District (excluding those of proprietary fund types or trust funds) are accounted for in the general long-term debt account group. This includes serial bonds outstanding, which are expected to be financed from governmental funds, the outstanding principal balance on capital leases and the noncurrent portion of the liability for compensated absences.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources focus and the governmental-wide statement uses the economic resources measurement focus.

Accrual

Governmental activity in the government-wide financial statements are presented on the accrual basis of accounting. The accrual basis of accounting is also used for measuring financial position and operating results of proprietary fund types. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The modified accrual basis of accounting is used for measuring the financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual. Under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or 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."

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. 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 details as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued):

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of differences between budgetary inflows and outflows and GAAP revenues and expenditures is presented in exhibit C-3 in the financial statements.

F. Encumbrances:

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as a reservation of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less from the date of purchase are stated at cost. All other investments are stated at fair value.

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

Additionally, the 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.

H. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District, and that are due within one year.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inventories:

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is being reported as an asset in the general fund. The inventory in the general fund is equally offset by a fund balance reserve which indicates they do not constitute "available spendable resources" even though they are a component of net current assets. There was no material balance of inventory in governmental funds at June 30, 2010.

A physical inventory of the food services fund was taken as of June 30, 2010. The inventory consisted of purchased commodities and supplies, both valued using the first-in, first-out method. The District values government commodities at their estimated fair market value and reports any unused commodities as deferred revenue.

J. Prepaid Expenses:

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which the future benefit will be received.

K. Allowance for Uncollectible Accounts

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

L. Capital Assets:

Capital assets purchased or acquired are capitalized at historical costs or estimated historical costs and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets as defined by the District are those assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Management has also elected to include certain homogenous asset categories with individual balances less than \$2,000 as composite groups for financial reporting purposes. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings and Building Improvements	20 – 50 years
Furniture and Fixtures	7 – 20 years
Machinery and Equipment	5 – 12 years
Vehicles	5 – 20 years

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences for Vacation and Sick Leave:

The District's employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The long-term liability for vested compensated absences of the governmental fund type is recorded in the government-wide financial statements as the benefits accrued to employees. As of June 30, 2010 the compensated absences liability for governmental funds was \$15,138,400.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010 the liability for compensated absences in the proprietary fund types was \$57,425.

O. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

P. Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties. Designated fund balances represent plans for future use of financial resources. Contributed capital represents the amount of fund capital contributed to the propriety funds from other funds.

Q. Net Assets:

Net assets represent the difference between assets and liabilities in the government-wide financial statements. Net assets invested in capital assets are reported net of related debt and accumulated depreciation. Net assets 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, laws or regulations of other governments.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

T. Memorandum Only – Total Columns:

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation.

U. Comparative Data:

Comparative total data for the prior year had been presented in order to provide an understanding of changes to the District's financial position and operations. Certain 2009 amounts have been reclassified to conform to the 2010 presentation.

V. Use of Estimates:

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

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Operating cash, in the form of checking accounts, is held in the District's name by several commercial banking institutions. At June 30, 2010, the cash balance was \$10,445,384

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" ("GASB 40"), the District's checking 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 or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are:

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized securities held by financial institution's trust department or agent but not in the government's name. The District does not have a policy for custodial credit risk.

Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

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 New Jersey Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. 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 investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

NOTE 3. RECEIVABLES

Receivables at June 30, 2010, consisted of accounts, accrued interest, inter-fund, intergovernmental and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	GAAP BASIS	BUDGET BASIS
Federal Assistance	\$ 2,722,771	\$ 2,722,771
State Assistance	7,410,555	7,596,551
	\$ 10,133,326	\$ 10,319,322

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District's Board of Education by resolution on September 26, 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.

	Capital Reserve	Maintenance Reserve	Emergency Reserve
Balance at 7/1/09	\$ 2,406,002	\$ 3,640,288	\$ 202,136
Increases:			
Interest	5,448	-	1,303
Appropriated from General Fund	1,000,000	-	500,000
Decreases:			
Board Resolution 4/20/2010	(969,058)	(1,000,000)	-
Balance at 6/30/10	\$ 2,442,392	\$ 2,640,288	\$ 703,439

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 4. CAPITAL RESERVE ACCOUNT (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general budget certified for taxes. 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.

NOTE 5. FIXED ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Land	Buildings and Building Improvements	Machinery and Equipment	Total
Governmental Activities:				
Total Assets, Beginning	\$ 5,189,540	\$ 184,675,324	\$ 21,837,917	\$ 211,702,781
Additions:				
Capital Outlay/Projects	-	-	2,224,889	2,224,889
Disposals and Adjustments	-	-	(436,695)	(436,695)
Total Assets, Ending	<u>5,189,540</u>	<u>184,675,324</u>	<u>23,626,111</u>	<u>213,490,975</u>
Accumulated Depreciation,				
Beginning	-	80,353,279	4,339,333	84,692,612
Additions	-	3,022,778	54,318	3,077,096
Disposals and Adjustments	-	-	1,047,629	1,047,629
Total Accumulated Depreciation, Ending	<u>-</u>	<u>83,376,057</u>	<u>5,441,280</u>	<u>88,817,337</u>
Governmental Activity, Capital Assets, net	<u>\$ 5,189,540</u>	<u>\$ 101,299,267</u>	<u>\$ 18,184,831</u>	<u>\$ 124,673,638</u>
Business-Type Activities:				
Total Assets, Beginning	\$ 1,421,600	\$ 5,946,222	\$ 959,936	\$ 8,327,758
Additions	-	509,686	13,769	523,455
Total Assets, Ending	<u>1,421,600</u>	<u>6,455,908</u>	<u>973,705</u>	<u>8,851,213</u>
Accumulated Depreciation,				
Beginning	-	1,494,277	603,484	2,097,761
Additions	-	178,698	28,916	207,614
Disposals/Adjustments	-	3,645	(11,615)	(7,970)
Total Accumulated Depreciation, Ending	<u>-</u>	<u>1,676,620</u>	<u>620,785</u>	<u>2,297,405</u>
Enterprise Fund Capital Assets, net	<u>\$ 1,421,600</u>	<u>\$ 4,779,288</u>	<u>\$ 352,920</u>	<u>\$ 6,553,808</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 5. FIXED ASSETS (Continued)

Depreciation expense for the fiscal year ended June 30, 2010 amounted to \$3,077,096 for governmental funds and \$207,614 for business-type funds. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve various functions.

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2009	Additions	Retirements/ Adjustments	Balance June 30, 2010
Bonds Payable	\$ 77,369,000	\$ -	\$ 3,300,000	\$ 74,069,000
Compensated Absences Payable	18,993,868	882,949	4,738,417	15,138,400
Notes Payable	4,682,118	-	1,406,582	3,275,536
Capital Leases Payable	219,765	4,800	67,957	156,608
	<u>\$ 101,264,751</u>	<u>\$ 887,749</u>	<u>\$ 9,512,956</u>	<u>\$ 92,639,544</u>

Bonds Payable

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

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

Fiscal Year Ending	Principal	Interest	Total
2011	\$ 3,270,000	\$ 3,244,382	\$ 6,514,382
2012	3,405,000	3,117,922	6,522,922
2013	3,535,000	2,986,714	6,521,714
2014	3,675,000	2,847,427	6,522,427
2015	3,830,000	2,692,201	6,522,201
Thereafter	<u>56,354,000</u>	<u>16,453,237</u>	<u>72,807,237</u>
	<u>\$ 74,069,000</u>	<u>\$ 31,341,883</u>	<u>\$ 105,410,883</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 6. GENERAL LONG-TERM DEBT (Continued)

Notes Payable

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

Fiscal Year Ending	Principal	Interest	Total
2011	\$ 223,748	\$ 29,789	\$ 253,537
2012	223,748	27,073	250,821
2013	223,748	24,356	248,104
2014	223,748	23,743	247,491
2015	182,834	21,000	203,834
Thereafter	2,197,710	54,692	2,252,402
Total	<u>\$ 3,275,536</u>	<u>\$ 180,653</u>	<u>\$ 3,456,189</u>

Capital Leases Payable

The District is leasing various items under capital leases. Following is a schedule of the future minimum lease payments and the present net value of the net minimum payments at June 30, 2010:

Fiscal Year Ending	Principal	Interest	Total
2011	\$ 64,559	\$ 17,933	\$ 82,492
2012	56,941	12,518	69,459
2013	28,080	6,244	34,324
2014	7,028	2,817	9,845
	<u>\$ 156,608</u>	<u>\$ 39,512</u>	<u>\$ 196,120</u>

NOTE 7. FUND BALANCE – RESERVATIONS AND DESIGNATIONS

General Funds

Of the \$12,399,874 General Fund Balance at June 30, 2010, \$1,037,499 is reserved for encumbrance; \$2,442,392 has been reserved in the Capital Reserve Account; \$2,640,288 has been reserved in the Reserve Maintenance Account; \$703,439 has been reserved in the Emergency Reserve; \$3,600,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$1,976,256 is unreserved and undesignated.

Debt Service Funds

Of the Debt Service Fund balance at June 30, 2010, \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$106,252 is unreserved and undesignated.

NOTE 7. FUND BALANCE – RESERVATIONS AND DESIGNATIONS (Continued)

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

Reserve For Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds i.e. General Fund, other than the Special Revenue Fund, are reported as reservation of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the General Fund at June 30, 2010 were \$1,037,499.

Calculation of Excess Surplus

The designation for Reserved 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. The excess fund balance at June 30, 2010 is \$0.

NOTE 8. PENSION PLANS

Description of Plans:

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS") or the Teachers' Pension and Annuity Fund ("TPAF") which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). These collectively are referred to as the "Systems". According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (TPAF):

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the System's other related non-contributing employers. Membership is mandatory for substantially all teachers and members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified. The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 8. PENSION PLANS (Continued)

Vesting and Benefit Provisions:

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. They may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Significant Legislation:

During the fiscal year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the fiscal year ended June 30, 1997 (Chapter 115, P.L. 1997), the asset valuation method was changed from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rates under TPAF and PERS by ½ of 1 percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund might be reduced based on the revaluation of assets. Due to the recognition of the bond proceeds and the change in asset valuation method as a result of the enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements:

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 8. PENSION PLANS (Continued)

Three-Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	\$ -	100%	\$ -
June 30, 2009	-	100%	-
June 30, 2008	-	100%	-

Three-Year Trend Information for TPAF (Paid on Behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	\$ 5,872,675	100%	\$ -
June 30, 2009	5,787,884	100%	-
June 30, 2008	15,447,404	100%	-

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$5,872,675 to the TPAF for normal and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$6,780,138 during the fiscal year ended June 30, 2010 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 34.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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, c.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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 made post retirement ("PRM") contributions of \$1.38 billion for TPAF and \$3.22 million for PERS in fiscal year 2009.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2010

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Service Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseen emergency. The plan administrators are as follows:

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

NOTE 11. 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.

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 expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ -	\$ 393,305	\$ 371,046	\$ 5,297,653
2008-2009	-	399,069	240,405	5,275,394
2007-2008	-	470,949	285,694	5,116,730

Property and Liability Insurance

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

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 12. CONTINGENT LIABILITIES

Litigation

The Board 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 District.

There have been three claims related to workmen's compensation made against the Board of Education which may result in the Board having a liability in excess of its insurance coverage. The eleven claims range up to \$150,000 each where the Board may be required to pay the petitioners cost and fees which approximate the above range. The terms and payments of these amounts have not yet been finalized and the claims may be paid in a series of installments and not in lump sum payment. There are thirty nine cases that would be paid under the general liability of the District if claims were settled. At this time none of the fifteen cases have claims that are probable or estimable and therefore specific disclosure is not necessary.

NOTE 13. STATEMENT OF CASH FLOWS

The District made no disbursements for interest or taxes in their Proprietary Funds during the fiscal year ended June 30, 2010.

NOTE 14. INTERFUND BALANCES

Interfund balances at June 30, 2010 consisted of the following:

	General	Capital Projects	Special Revenue	Total
General	\$ -	\$ 200,933	\$ 1,600,355	\$ 1,801,288
Capital Projects	(200,933)	-	-	(200,933)
Special Revenue	(1,600,355)	-	-	(1,600,355)
Enterprise	-	-	-	-
Total	<u>\$ (1,801,288)</u>	<u>\$ 200,933</u>	<u>\$ 1,600,355</u>	<u>\$ -</u>

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 15. RELATED PARTIES

The Governmental Accounting Standards Board Statement Number 39, Component Units, requires the inclusion of entities who are under common control or provide material support to the governmental reporting entity. The Toms River Technology Foundation, the Toms River Student Loan Fund, and other incorporated booster and student service entities do not meet the requirements as stated by GASB 39. Therefore, their statement of conditions and operation are not included in the reporting entity's Comprehensive Annual Financial Report.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010

NOTE 16. 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 \$917,870, which has been reported in the District's long-term liabilities section.

NOTE 17. PRIOR PERIOD ADJUSTMENTS

The cumulative effect of the change in the state aid payment from one year to the next has resulted in a prior period adjustment of \$3,411,436 to fund balance. The amount represents the cumulative change in the state aid accounts receivable effected by the deferred state aid payments. In prior years, the reconciliation between GAAP and Budgetary Basis did not properly account for the change in the accounts receivable balance.

NOTE 18. SUBSEQUENT EVENTS

On October 21, 2010 the Superintendent of Schools, Michael J. Ritacco, tendered his letter of resignation. On the same date he was indicted by the U.S. Department of Justice on 19 counts of bribery and corruption charges. The Board of Education has directed its administration to freeze his payout of unused sick days and vacation time (estimated at \$63,125) until adjudication of such charges. They have also notified the appropriate insurance carriers in connection with a potential claim. No liability has been recorded in regards to this matter as the potential loss can not be ascertained at this time.

**Required Supplementary Information - Part II**

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## **Budgetary Comparison Schedules**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 115,800,000	\$ -	\$ 115,800,000	\$ 115,800,000	\$ -
Tuition Charges	295,536	-	295,536	400,375	(104,839)
Transportation Fees	560,160	-	560,160	127,018	433,142
Interest on Investments	280,000	-	280,000	26,918	253,082
Rental Income	65,000	-	65,000	84,422	(19,422)
Donations	-	226,420	226,420	163,706	62,714
Solar Credits	1,000,000	-	1,000,000	1,093,500	(93,500)
Miscellaneous	56,738	-	56,738	345,508	(288,770)
<b>Total Local Sources</b>	<b>118,057,434</b>	<b>226,420</b>	<b>118,283,854</b>	<b>118,041,447</b>	<b>242,407</b>
<b>Intermediate Sources</b>					
Restricted Grants-In-Aid - Ocean County	-	24,500	24,500	4,500	20,000
<b>Total Intermediate Sources</b>	<b>-</b>	<b>24,500</b>	<b>24,500</b>	<b>4,500</b>	<b>20,000</b>
<b>State Sources</b>					
Transportation Aid	4,602,856	-	4,602,856	4,602,856	-
NP Transportation Aid	-	-	-	56,471	(56,471)
Special Education Aid	8,739,193	-	8,739,193	8,610,931	128,262
Extraordinary Special Education Cost Aid	226,349	-	226,349	393,950	(167,601)
SEMI Special Aid	-	-	-	122,829	(122,829)
Reimbursed TPAF Social Security Contributions	-	6,780,138	6,780,138	6,780,138	-
Teacher's Pension and Annuity Fund	-	-	-	5,872,675	(5,872,675)
Equalization Aid	42,909,855	-	42,909,855	42,909,855	-
Security Aid	1,586,757	-	1,586,757	1,586,757	-
Adjustment Aid	14,262,081	-	14,262,081	12,699,974	1,562,107
State Homeless Aid	-	-	-	14,447	(14,447)
<b>Total State Grant Aid</b>	<b>72,327,091</b>	<b>6,780,138</b>	<b>79,107,229</b>	<b>83,650,883</b>	<b>(4,543,654)</b>
Other Unrestricted State Aid	-	-	-	215,816	(215,816)
<b>Total Other State Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,816</b>	<b>(215,816)</b>
<b>Total State Sources</b>	<b>72,327,091</b>	<b>6,780,138</b>	<b>79,107,229</b>	<b>83,866,699</b>	<b>(4,759,470)</b>
<b>Total Revenues</b>	<b>\$ 190,384,525</b>	<b>\$ 7,031,058</b>	<b>\$ 197,415,583</b>	<b>\$ 201,912,646</b>	<b>\$ (4,497,063)</b>
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
<b>Regular Programs</b>					
<b>Salaries of Teachers - Regular</b>					
Preschool/Kindergarten	\$ 2,139,000	\$ (40,313)	\$ 2,098,687	\$ 2,098,687	\$ -
Grades 1-5	23,360,000	(2,003,468)	21,356,532	21,353,656	2,876
Grades 6-8	6,205,176	(333,701)	5,871,475	5,871,475	-
Grades 9-12	20,226,200	(247,715)	19,978,485	19,968,335	10,150
<b>Salaries of Teachers - American Recovery and Reinvestment Act</b>					
Grades 6-8 State Fiscal Stabilization	7,495,656	-	7,495,656	7,495,656	-
Grades 6-8 Government Services	290,168	-	290,168	290,168	-
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	150,000	181,941	331,941	331,941	-
Purchased Professional - Educational Services	80,000	17,102	97,102	97,102	-
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	373,000	(10,566)	362,434	362,434	-
Purchased Professional - Educational Services	185,000	(40,767)	144,233	143,612	621
Purchased Technical Services	6,000	(5,000)	1,000	1,000	-
Other Purchased Services (400-500 series)	1,084,200	(154,381)	929,819	881,486	48,333
General Supplies	1,740,100	(70,784)	1,669,316	1,540,458	128,858
Textbooks	591,100	(144,170)	446,930	376,996	69,934
Other Objects	116,000	(55,715)	60,285	48,898	11,387
<b>Total Regular Programs</b>	<b>64,041,600</b>	<b>(2,907,537)</b>	<b>61,134,063</b>	<b>60,861,904</b>	<b>272,159</b>
<b>Special Education</b>					
<b>Cognitive - Mild</b>					
Salaries of Teachers	328,000	(36,000)	292,000	291,379	621
Other Salaries for Instruction	63,000	-	63,000	62,920	80
Other Purchased Services (400-500 series)	7,500	(5,669)	1,831	1,830	1
General Supplies	3,000	(100)	2,900	2,844	56
<b>Total Cognitive - Mild</b>	<b>401,500</b>	<b>(41,769)</b>	<b>359,731</b>	<b>358,973</b>	<b>758</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Cognitive - Moderate</b>					
Salaries of Teachers	109,500	(8,159)	101,341	101,340	1
Other Salaries for Instruction	45,600	(8,400)	37,200	37,000	200
General Supplies	1,500	300	1,800	1,799	1
Total Cognitive - Moderate	<u>156,600</u>	<u>(16,259)</u>	<u>140,341</u>	<u>140,139</u>	<u>202</u>
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	2,208,000	(171,799)	2,036,201	2,036,201	-
Other Salaries for Instruction	1,025,000	552,257	1,577,257	1,577,257	-
General Supplies	29,000	(3,190)	25,810	25,657	153
Total Learning and/or Language Disabilities	<u>3,262,000</u>	<u>377,268</u>	<u>3,639,268</u>	<u>3,639,115</u>	<u>153</u>
<b>Auditory Impairments</b>					
Salaries of Teachers	165,200	(6,200)	159,000	158,542	458
Other Salaries for Instruction	257,200	(15,460)	241,740	241,727	13
General Supplies	1,700	1,547	3,247	2,994	253
Total Auditory Impairments	<u>424,100</u>	<u>(20,113)</u>	<u>403,987</u>	<u>403,263</u>	<u>724</u>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	589,000	(122,461)	466,539	466,539	-
Other Salaries for Instruction	145,000	(8,891)	136,109	136,109	-
Purchased Professional-Educational Services	34,000	-	34,000	31,640	2,360
General Supplies	6,000	(245)	5,755	5,593	162
Total Behavioral Disabilities	<u>774,000</u>	<u>(131,597)</u>	<u>642,403</u>	<u>639,881</u>	<u>2,522</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	249,500	(13,947)	235,553	235,553	-
Other Salaries for Instruction	135,000	(182)	134,818	134,688	131
General Supplies	4,800	1,967	6,767	5,729	1,037
Total Multiple Disabilities	<u>389,300</u>	<u>(12,162)</u>	<u>377,138</u>	<u>375,970</u>	<u>1,168</u>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	5,741,000	(174,342)	5,566,658	5,566,658	-
Other Salaries for Instruction	-	15,000	15,000	14,280	720
General Supplies	28,000	(230)	27,770	27,770	-
Textbooks	3,000	(223)	2,777	2,603	174
Total Resource Room/Resource Center	<u>5,772,000</u>	<u>(159,795)</u>	<u>5,612,205</u>	<u>5,611,311</u>	<u>894</u>
<b>Autism</b>					
Salaries of Teachers	782,000	(99,600)	682,400	681,842	558
Other Salaries for Instruction	424,000	(60,469)	363,531	363,531	-
Purchased Professional-Educational Services	21,000	115,726	136,726	123,570	13,156
General Supplies	8,000	(863)	7,137	7,047	90
Total Autism	<u>1,235,000</u>	<u>(45,206)</u>	<u>1,189,794</u>	<u>1,175,990</u>	<u>13,804</u>
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	124,000	90,500	214,500	214,410	90
Other Salaries for Instruction	96,000	(96,000)	-	-	-
General Supplies	2,600	-	2,600	512	2,088
Total Preschool Disabilities - Full-Time	<u>222,600</u>	<u>(5,500)</u>	<u>217,100</u>	<u>214,922</u>	<u>2,178</u>
<b>Preschool Disabilities - Part-Time</b>					
Salaries of Teachers	819,000	(17,506)	801,494	801,494	-
Other Salaries for Instruction	294,500	6,272	300,772	300,772	-
General Supplies	19,600	1,692	21,292	20,205	1,087
Total Preschool Disabilities - Part-Time	<u>1,133,100</u>	<u>(9,542)</u>	<u>1,123,558</u>	<u>1,122,471</u>	<u>1,087</u>
Total Special Education	<u>13,770,200</u>	<u>(64,675)</u>	<u>13,705,525</u>	<u>13,682,035</u>	<u>23,490</u>
<b>Other Instructional Programs</b>					
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	900,000	93,979	993,979	993,438	541
Other Purchased Services (400-500 series)	3,700	(2,800)	900	115	785
General Supplies	9,500	(5,600)	3,900	2,780	1,120
Textbooks	1,500	(1,500)	-	-	-
Other Objects	1,000	(500)	500	-	500
Total Basic Skills/Remedial	<u>915,700</u>	<u>83,579</u>	<u>999,279</u>	<u>996,333</u>	<u>2,946</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education</b>					
Salaries of Teachers	384,000	7,513	391,513	391,513	-
Other Purchased Services (400-500 series)	3,200	(1,000)	2,200	1,969	231
General Supplies	5,000	500	5,500	680	4,820
Other Objects	-	938	938	938	-
<b>Total Bilingual Education</b>	<b>392,200</b>	<b>7,951</b>	<b>400,151</b>	<b>395,100</b>	<b>5,051</b>
<b>Vocational Programs - Local</b>					
Salaries of Teachers	1,706,000	(31,611)	1,674,389	1,674,008	381
Other Salaries for Instruction	-	3,602	3,602	3,602	-
Other Purchased Services (400-500 series)	16,000	(10,215)	5,785	3,456	2,329
General Supplies	150,000	(35,646)	114,354	111,883	2,471
<b>Total Vocational Programs - Local</b>	<b>1,872,000</b>	<b>(73,870)</b>	<b>1,798,130</b>	<b>1,792,949</b>	<b>5,181</b>
<b>School Sponsored Co-Curricular Activities</b>					
Salaries	668,000	(29,741)	638,259	634,576	3,683
Purchased Services (300-500 series)	48,100	(538)	47,562	45,509	2,053
Supplies and Materials	175,200	(44,776)	130,424	97,092	33,332
Other Objects	16,000	(9,823)	6,177	6,177	-
<b>Total School Sponsored Co-Curricular Activities</b>	<b>907,300</b>	<b>(84,878)</b>	<b>822,422</b>	<b>783,354</b>	<b>39,068</b>
<b>School Sponsored Athletics</b>					
Salaries	2,669,000	(193,983)	2,475,017	2,473,393	1,624
Other Purchased Professional Services	50,000	233,328	283,328	283,307	21
Purchased Services (300-500 series)	498,500	230,739	729,239	646,288	82,951
Supplies and Materials	280,000	73,462	353,462	343,231	10,231
Other Objects	60,000	(26,764)	33,236	31,853	1,383
<b>Total School Sponsored Athletics</b>	<b>3,557,500</b>	<b>316,782</b>	<b>3,874,282</b>	<b>3,778,072</b>	<b>96,210</b>
<b>Community Services Programs/Operations</b>					
Salaries	25,200	-	25,200	23,200	2,000
Purchased Services (300-500 series)	2,500	(400)	2,100	150	1,950
Supplies and Materials	3,000	1,350	4,350	4,223	127
Other Objects	1,000	(250)	750	-	750
<b>Total Community Services Programs/Operations</b>	<b>31,700</b>	<b>700</b>	<b>32,400</b>	<b>27,573</b>	<b>4,827</b>
<b>Total Other Instructional Programs</b>	<b>7,676,400</b>	<b>250,264</b>	<b>7,926,664</b>	<b>7,773,381</b>	<b>153,283</b>
<b>Total Instruction</b>	<b>85,488,200</b>	<b>(2,721,948)</b>	<b>82,766,252</b>	<b>82,317,320</b>	<b>448,932</b>
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition to Other LEAs Within the State - Special	132,500	(132,500)	-	-	-
Tuition to County Vocational School District - Regular	32,500	(500)	32,000	32,000	-
Tuition to County Special Services and Regular Day Schools	735,000	(148,600)	586,400	9,704	576,696
Tuition to Private Schools for the Handicapped - Within the State	447,565	27,785	475,350	34,079	441,271
Tuition - State Facilities	396,160	1,075	397,235	397,235	-
Tuition - Other	125,000	84,425	209,425	194,580	14,845
<b>Total Instruction</b>	<b>1,868,725</b>	<b>(168,315)</b>	<b>1,700,410</b>	<b>667,598</b>	<b>1,032,812</b>
<b>Attendance and Social Work Services</b>					
Salaries	235,000	25,500	260,500	260,416	84
<b>Total Attendance and Social Work Services</b>	<b>235,000</b>	<b>25,500</b>	<b>260,500</b>	<b>260,416</b>	<b>84</b>
<b>Health Services</b>					
Salaries	2,176,000	(8,284)	2,167,716	2,167,713	3
Purchased Professional and Technical Services	55,000	80,632	135,632	102,393	33,239
Supplies and Materials	71,800	298	72,098	71,577	521
<b>Total Health Services</b>	<b>2,302,800</b>	<b>72,646</b>	<b>2,375,446</b>	<b>2,341,683</b>	<b>33,763</b>
<b>Other Support Services - Students - Home Instruction</b>					
Salaries	1,512,000	(141,257)	1,370,743	1,370,743	-
Purchased Professional and Technical Services	7,500	105,223	112,723	104,488	8,235
Supplies and Materials	9,600	-	9,600	9,407	193
<b>Total Other Support Services - Students - Home Instruction</b>	<b>1,529,100</b>	<b>(36,034)</b>	<b>1,493,066</b>	<b>1,484,638</b>	<b>8,428</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Other Support Services - Students - Extraordinary</b>					
Salaries	12,000	51,000	63,000	62,851	149
Other Salaries for Instruction	310,000	(17,463)	292,537	291,642	895
Purchased Professional and Technical Services	542,000	238,035	780,035	702,505	77,530
Supplies and Materials	4,000	1,000	5,000	4,926	74
Other Objects	2,000	-	2,000	1,604	396
<b>Total Other Support Services - Students - Extraordinary</b>	<b>870,000</b>	<b>272,572</b>	<b>1,142,572</b>	<b>1,063,528</b>	<b>79,044</b>
<b>Other Support Services - Regular Guidance</b>					
Salaries of Other Professional Staff	3,609,000	(19,081)	3,589,919	3,587,567	2,352
Salaries of Secretarial and Clerical Assistants	705,000	(30,750)	674,250	671,141	3,109
Purchased Professional - Educational Services	4,500	3,420	7,920	6,600	1,320
Other Purchased Services (400-500 series)	2,250	(400)	1,850	1,587	263
Supplies and Materials	45,500	(17,107)	28,393	26,164	2,229
Other Objects	15,300	(8,158)	7,142	6,930	212
<b>Total Other Support Services - Regular Guidance</b>	<b>4,381,550</b>	<b>(72,076)</b>	<b>4,309,474</b>	<b>4,299,989</b>	<b>9,485</b>
<b>Other Support Services - Students - Special</b>					
Salaries of Other Professional Staff	2,399,000	(176,299)	2,222,701	2,182,179	40,522
Salaries of Secretarial and Clerical Assistants	408,500	1,147	409,647	408,829	818
Purchased Professional - Educational Services	89,000	(68,265)	20,735	-	20,735
Supplies and Materials	26,000	4,980	30,980	20,777	10,203
Other Objects	1,000	-	1,000	821	179
<b>Total Other Support Services - Students - Special</b>	<b>2,923,500</b>	<b>(238,437)</b>	<b>2,685,063</b>	<b>2,612,606</b>	<b>72,457</b>
<b>Improvement of Instructional Services</b>					
Salaries of Supervisors of Instructions	2,822,000	(11,834)	2,810,166	2,745,601	64,565
Salaries of Secretarial and Clerical Assistants	30,000	(145)	29,855	29,650	205
Other Salaries	2,400	(2,351)	49	-	49
Purchased Professional - Educational Services	7,500	(2,753)	4,747	3,897	850
Other Purchased Services (400-500 series)	6,500	(2,002)	4,498	4,497	1
Supplies and Materials	10,000	(7,900)	2,100	1,829	271
Other Objects	7,000	(6,900)	100	48	52
<b>Total Improvement of Instructional Services</b>	<b>2,885,400</b>	<b>(33,885)</b>	<b>2,851,515</b>	<b>2,785,522</b>	<b>65,993</b>
<b>Educational Media Services/School Library</b>					
Salaries of Teachers	1,009,000	26,082	1,035,082	1,034,611	471
Salaries of Other Professional Staff	218,000	300	218,300	218,270	30
Salaries of Secretarial and Clerical Assistants	485,200	1,400	486,600	485,325	1,275
Purchased Professional and Technical Services	3,000	(3,000)	-	-	-
Other Purchased Services (400-500 series)	7,600	(2,300)	5,300	1,909	3,391
Supplies and Materials	160,850	(19,048)	141,802	135,976	5,826
<b>Total Educational Media Services/School Library</b>	<b>1,883,650</b>	<b>3,434</b>	<b>1,887,084</b>	<b>1,876,091</b>	<b>10,993</b>
<b>Instructional Staff Training Services</b>					
Salaries of Supervisors of Instruction	302,000	(13,840)	288,160	286,370	1,790
Salaries of Secretarial and Clerical Assistants	126,000	(22,000)	104,000	103,314	686
Other Salaries	-	4,000	4,000	-	4,000
Purchased Professional - Educational Services	4,000	(2,589)	1,411	-	1,411
Supplies and Materials	-	500	500	-	500
Other Objects	8,000	(7,728)	272	150	122
<b>Total Instructional Staff Training Services</b>	<b>440,000</b>	<b>(41,657)</b>	<b>398,343</b>	<b>389,834</b>	<b>8,509</b>
<b>Support Services - General Administration</b>					
Salaries	58,600	(1,175)	57,425	56,933	492
Other Salaries	1,144,000	(54,740)	1,089,260	1,089,022	238
Legal Services	178,000	(5,900)	172,100	171,456	644
Audit Fees	120,000	5,000	125,000	122,631	2,369
Other Purchased Professional Services	367,000	(84,725)	282,275	281,851	424
Communications/Telephone	475,000	147,177	622,177	547,138	75,039
Miscellaneous Purchased Services (400-500 series other than 530)	180,100	(12,380)	167,720	167,263	457
Supplies and Materials	25,500	16,388	41,888	41,042	846
Judgments Against the School District	45,000	118,500	163,500	163,279	221
Miscellaneous Expenditures	128,000	(25,315)	102,685	99,502	3,183
<b>Total Support Services - General Administration</b>	<b>2,721,200</b>	<b>102,830</b>	<b>2,824,030</b>	<b>2,740,117</b>	<b>83,913</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services - School Administration</b>					
Salaries of Principals/Assistant Principals	4,368,500	45,000	4,413,500	4,411,798	1,702
Salaries of Secretarial and Clerical Assistants	2,490,000	5,500	2,495,500	2,492,495	3,005
Other Salaries	427,000	(21,900)	405,100	404,464	636
Other Purchased Services (400-500 series)	2,500	(2,285)	215	-	215
Supplies and Materials	68,500	(9,252)	59,248	51,692	7,556
Other Objects	14,000	(10,000)	4,000	2,750	1,250
<b>Total Support Services - School Administration</b>	<b>7,370,500</b>	<b>7,063</b>	<b>7,377,563</b>	<b>7,363,199</b>	<b>14,364</b>
<b>Central Services</b>					
Salaries	1,143,300	(11,514)	1,131,786	1,130,908	878
Other Salaries	673,000	(119,630)	553,370	552,010	1,360
Purchased Technical Services	50,000	48,659	98,659	92,615	6,043
Other Purchased Services (400-500 series)	3,000	(1,500)	1,500	579	921
General Supplies	87,000	40,387	127,387	78,378	49,010
Interest for Lease Purchase Agreements	52,000	(13,627)	38,373	23,671	14,702
Other Objects	20,000	619	20,619	17,267	3,352
<b>Total Central Services</b>	<b>2,028,300</b>	<b>(56,606)</b>	<b>1,971,694</b>	<b>1,895,428</b>	<b>76,266</b>
<b>Administration Information For Technology</b>					
Salaries of Secretarial and Clerical Assistants	191,000	15,000	206,000	205,631	369
Other Salaries	879,000	(13,000)	866,000	865,409	591
Other Purchased Professional Services	14,000	(11,300)	2,700	2,001	699
Purchased Technical Services	250,000	119,221	369,221	231,528	137,693
Other Purchased Services (400-500 series)	3,000	(1,000)	2,000	1,593	407
Supplies and Materials	145,000	9,761	154,761	148,986	5,775
General Supplies	-	1,166	1,166	-	1,166
Other Objects	3,500	(3,500)	-	-	-
<b>Total Administration Information For Technology</b>	<b>1,485,500</b>	<b>116,348</b>	<b>1,601,848</b>	<b>1,455,148</b>	<b>146,700</b>
<b>Maintenance of School Facilities</b>					
Salaries	131,000	1,000	132,000	131,929	71
Other Salaries	2,357,000	(170,682)	2,186,318	2,186,100	218
Cleaning, Repair, and Maintenance Services	315,000	759,796	1,074,796	1,049,832	24,964
General Supplies	165,000	121,463	286,463	249,563	36,900
Miscellaneous Expenditures	1,000	291	1,291	459	832
<b>Total Maintenance of School Facilities</b>	<b>2,969,000</b>	<b>711,868</b>	<b>3,680,868</b>	<b>3,617,883</b>	<b>62,985</b>
<b>Other Operations and Maintenance of Plant Services</b>					
Salaries of Secretarial and Clerical Assistants	29,500	3,700	33,200	33,050	150
Other Salaries for Instruction	347,000	(14,548)	332,452	331,233	1,219
Other Salaries	5,044,000	321,266	5,365,266	5,361,881	3,385
Cleaning, Repair, and Maintenance Services	551,000	166,011	717,011	649,238	67,773
Other Purchased Services	723,000	(34,955)	688,045	686,846	1,199
General Supplies	535,000	399,445	934,445	732,046	202,399
Energy (Heat and Electricity)	5,704,600	(105,086)	5,599,514	5,424,310	175,204
Other Objects	12,000	(2,837)	9,163	8,838	325
<b>Total Other Operations and Maintenance of Plant Services</b>	<b>12,946,100</b>	<b>732,996</b>	<b>13,679,096</b>	<b>13,227,442</b>	<b>451,654</b>
<b>Care and Upkeep of Grounds</b>					
Other Salaries	935,000	214,207	1,149,207	1,149,206	1
Cleaning, Repair, and Maintenance Services	46,000	54,899	100,899	99,567	1,332
General Supplies	200,000	105,240	305,240	260,870	44,370
Miscellaneous Expenditures	5,000	(4,821)	179	-	179
<b>Total Care and Upkeep of Grounds</b>	<b>1,186,000</b>	<b>369,525</b>	<b>1,555,525</b>	<b>1,509,643</b>	<b>45,882</b>
<b>Security</b>					
Other Salaries	1,263,000	17,233	1,280,233	1,280,232	1
General Supplies	18,000	(6,262)	11,738	9,860	1,878
Miscellaneous Expenditures	2,400	(1,100)	1,300	520	780
<b>Total Security</b>	<b>1,283,400</b>	<b>9,871</b>	<b>1,293,271</b>	<b>1,290,612</b>	<b>2,659</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Student Transportation Services</b>					
Salaries for Pupil Transportation					
Between Home and School - Regular	4,927,000	56,129	4,983,129	4,981,055	2,074
Between Home and School - Special Education	2,221,000	12,531	2,233,531	2,227,024	6,507
Other than Between Home and School	255,000	(68,040)	186,960	186,960	-
Social Security Contributions-Other	450,000	(450,000)	-	-	-
Health Benefits	1,750,000	(1,189,640)	560,360	560,360	-
Cleaning, Repair, and Maintenance Services	7,000	3,300	10,300	6,070	4,230
Contracted Services					
Between Home and School - Vendors	2,035,000	6,855	2,041,855	1,937,379	104,476
Special Education Students - Vendors	930,000	140,985	1,070,985	949,026	121,960
Regular Students - ESCs and CTASs	40,000	(15,000)	25,000	24,640	360
Aid In Lieu of Payments	245,000	52,604	297,604	165,808	131,796
Miscellaneous Purchased Services - Transportation	350,000	(124,558)	225,442	221,667	3,775
Lease of School Buses	110,000	(55,516)	54,484	54,484	-
Supplies and Materials	455,000	201,740	656,740	649,208	7,531
Energy	785,000	282,500	1,067,500	969,381	98,120
<b>Total Student Transportation Services</b>	<b>14,560,000</b>	<b>(1,146,110)</b>	<b>13,413,890</b>	<b>12,933,062</b>	<b>480,829</b>
<b>Unallocated Benefits</b>					
Social Security Contributions	3,180,000	(112,600)	3,067,400	2,876,505	190,895
Other Retirement Contributions - Regular	2,600,000	(105,000)	2,495,000	2,485,760	9,240
Other Retirement Contributions -TPAF	-	136,159	136,159	113,398	22,761
Workmen's Compensation	1,830,000	773,980	2,603,980	2,519,050	84,930
Health Benefits	31,760,000	6,793,067	38,553,067	38,210,404	342,663
Tuition Reimbursement	60,000	(5,700)	54,300	54,300	-
Other Employee Benefits	2,740,000	(340,300)	2,399,700	2,397,666	2,034
<b>Total Unallocated Benefits</b>	<b>42,170,000</b>	<b>7,139,606</b>	<b>49,309,606</b>	<b>48,657,083</b>	<b>652,523</b>
<b>On-Behalf Contributions</b>					
TPAF Pension	-	-	-	5,872,675	(5,872,675)
TPAF Social Security	-	6,780,138	6,780,138	6,780,138	-
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>6,780,138</b>	<b>6,780,138</b>	<b>12,652,813</b>	<b>(5,872,675)</b>
<b>Total Undistributed Expenditures</b>	<b>108,039,725</b>	<b>14,551,277</b>	<b>122,591,002</b>	<b>125,124,335</b>	<b>(2,533,333)</b>
<b>Total Expenditures - Current Expense</b>	<b>193,527,925</b>	<b>11,829,329</b>	<b>205,357,254</b>	<b>207,441,655</b>	<b>(2,084,401)</b>
<b>Capital Outlay</b>					
<b>Equipment</b>					
Regular Programs - Instruction					
Grades 1-5	99,000	87,895	186,895	91,630	95,265
Grades 6-8	28,000	900	28,900	15,981	12,919
Grades 9-12	39,000	2,782	41,782	24,799	16,983
Special Education - Instruction					
Resource Room/Resource Center	10,000	-	10,000	9,999	1
Vocational Programs - Local - Instructions	21,000	-	21,000	7,425	13,575
School Sponsored and Other Instructional Programs	9,000	950	9,950	6,182	3,768
Undistributed Expenditures					
General Administration	6,000	4,600	10,600	8,862	1,738
School Administration	30,000	(5,000)	25,000	4,732	20,268
Central Services	5,000	(3,000)	2,000	-	2,000
Other Operation and Maintenance of Plant	45,000	5,400	50,400	30,751	19,649
Administrative Information Technology	10,000	21,355	31,355	25,867	5,488
Maintenance of School Facility	50,000	(18,000)	32,000	23,887	8,113
Student Transportation - Non-Instructional Equipment	22,000	-	22,000	8,821	13,179
<b>Total Equipment</b>	<b>374,000</b>	<b>97,882</b>	<b>471,882</b>	<b>258,936</b>	<b>212,946</b>
<b>Facilities Acquisition and Construction Services</b>					
Other Purchased Professional and Technical Services	-	11,250	11,250	11,250	-
Construction Services	-	839,821	839,821	149,163	690,658
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>851,071</b>	<b>851,071</b>	<b>160,413</b>	<b>690,658</b>
<b>Total Capital Outlay</b>	<b>374,000</b>	<b>948,953</b>	<b>1,322,953</b>	<b>419,349</b>	<b>903,604</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Schools					
Summer School - Instruction					
Salaries of Teachers	42,000	1,245	43,245	43,236	9
General Supplies	500	(370)	130	-	130
Other Objects	1,000	(375)	625	300	325
Total Summer School - Instruction	<u>43,500</u>	<u>500</u>	<u>44,000</u>	<u>43,536</u>	<u>464</u>
Accredited Evening/Adult H.S./Post-Grad - Instruction					
Salaries of Teachers	-	20,000	20,000	2,994	17,006
General Supplies	-	160	160	160	-
Total Accredited Evening/Adult H.S./Post-Grad - Instruction	<u>-</u>	<u>20,160</u>	<u>20,160</u>	<u>3,154</u>	<u>17,006</u>
Evening School- Foreign Born - Local - Instruction					
Salaries of Teachers	7,500	-	7,500	-	7,500
General Supplies	1,600	(660)	940	-	940
Total Evening School - Foreign Born - Local - Instruction	<u>9,100</u>	<u>(660)</u>	<u>8,440</u>	<u>-</u>	<u>8,440</u>
Total Special Schools	<u>52,600</u>	<u>20,000</u>	<u>72,600</u>	<u>46,690</u>	<u>25,910</u>
Total Expenditures	<u>193,954,525</u>	<u>12,798,282</u>	<u>206,752,807</u>	<u>207,907,694</u>	<u>(1,154,887)</u>
Deficiency of Revenues Under Expenditures	<u>(3,570,000)</u>	<u>(5,767,224)</u>	<u>(9,337,224)</u>	<u>(5,995,048)</u>	<u>(3,342,176)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(3,570,000)</u>	<u>(5,767,224)</u>	<u>(9,337,224)</u>	<u>(5,995,048)</u>	<u>(3,342,176)</u>
Fund Balance, July 1	<u>18,580,918</u>	<u>-</u>	<u>18,580,918</u>	<u>18,580,918</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 15,010,918</u>	<u>\$ (5,767,224)</u>	<u>\$ 9,243,694</u>	<u>\$ 12,585,870</u>	<u>\$ (3,342,176)</u>
Recapitulation:					
Reserved for Encumbrances				\$ 1,037,499	
Reserve for Excess Surplus (09-2010)				-	
Reserved Excess Surplus - Designated for Reserve Accounts				-	
Maintenance Reserve				2,640,288	
Capital Reserve				2,442,392	
Emergency Reserve				703,439	
Unreserved Designated for Subsequent Year's Expenditures				3,600,000	
Unrestricted Fund Balance				<u>2,162,252</u>	
				12,585,870	
Reconciliation to Governmental Funds Statements (GAAP):					
Reconciliation of State Aid payments for GAAP to Budgetary Basis and other adjustments				<u>(185,996)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 12,399,874</u>	

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
State Sources	\$ 1,113,433	\$ 79,375	\$ 1,192,808	\$ 1,182,453	\$ (10,355)
Federal Sources	7,051,676	6,143,850	13,195,526	12,079,139	(1,116,387)
<b>Total Revenues</b>	<b>8,165,109</b>	<b>6,223,225</b>	<b>14,388,334</b>	<b>13,261,592</b>	<b>(1,126,742)</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	2,889,080	483,624	3,372,704	3,326,235	46,469
Other Salaries for Instruction	-	97,093	97,093	97,093	-
Tuition	4,162,596	2,510,651	6,673,247	5,863,883	809,364
Purchased Professional - Educational Services	84,880	24,363	109,243	109,133	110
General Supplies	-	768,767	768,767	684,785	83,982
Textbooks	121,358	11,641	132,999	132,112	887
<b>Total Instruction</b>	<b>7,257,914</b>	<b>3,896,139</b>	<b>11,154,053</b>	<b>10,213,241</b>	<b>940,812</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	-	160,094	160,094	160,094	-
Salaries of Other Professional Staff	-	91,040	91,040	80,315	10,725
Personal Services - Employee Benefits	-	991,055	991,055	957,577	33,478
Purchased Professional - Educational Services	907,195	920,116	1,827,311	1,706,971	120,340
General Supplies	-	111,256	111,256	92,967	18,289
Other Objects	-	38,473	38,473	35,375	3,098
<b>Total Support Services</b>	<b>907,195</b>	<b>2,312,034</b>	<b>3,219,229</b>	<b>3,033,299</b>	<b>185,930</b>
<b>Facilities Acquisition and Construction Services</b>					
Instructional Equipment	-	15,052	15,052	15,052	-
<b>Total Expenditures</b>	<b>8,165,109</b>	<b>6,223,225</b>	<b>14,388,334</b>	<b>13,261,592</b>	<b>1,126,742</b>
<b>Excess of Revenues Under Expenditures and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **Notes to Required Supplementary Information**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET TO GAAP RECONCILIATION  
 NOTE TO RSI  
 For the Fiscal Year Ended June 30, 2010

Exhibit C-3

NOTE 1 - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 201,912,646	\$ 13,261,592
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	6,922,755	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(7,108,751)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(452,946)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 201,726,650	\$ 12,808,646
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 207,907,694	\$ 13,261,592
Difference - budget to GAAP:		
Encumbrances for supplies and capital outlay purchases 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.	-	(452,946)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 207,907,694	\$ 12,808,646

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## **Other Supplementary Information**

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**Special Revenue Fund**

TOMS RIVER REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2010  
(With Comparative Totals for June 30, 2009)

Exhibit E-1

	Nonpublic Textbooks	Nonpublic Compensatory Education	Nonpublic Nursing	NJ Nonpublic Handicapped Supplemental
<b>REVENUES</b>				
State Sources	\$ 132,112	\$ 469,869	\$ 157,720	\$ 132,282
Federal Sources	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>132,112</u>	<u>469,869</u>	<u>157,720</u>	<u>132,282</u>
<b>EXPENDITURES</b>				
Instruction				
Salaries of Teachers	-	-	-	-
Other Salaries for Instruction	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-
General Supplies	-	-	-	-
Tuition	-	-	-	-
Textbooks	<u>132,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Instruction	<u>132,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services				
Salaries of Supervisors of Instruction	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-
Purchased Professional - Educational Services	-	469,869	157,720	132,282
General Supplies	-	-	-	-
Other Objects	-	-	-	-
Total Support Services	<u>-</u>	<u>469,869</u>	<u>157,720</u>	<u>132,282</u>
Facilities Acquisition and Construction Services				
Instructional Equipment	-	-	-	-
Total Expenditures	<u>132,112</u>	<u>469,869</u>	<u>157,720</u>	<u>132,282</u>
Excess of Revenues Over Expenditures and Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Nonpublic Exam and Classification	Nonpublic Transportation	Nonpublic Home Instruction	Nonpublic Corrective Speech	Nonpublic ESL	Title I A	Title 2 A Carryover Class Size Reduction
\$ 171,493	\$ 18,197	\$ 16,121	\$ 80,255	\$ 4,404	\$ -	\$ -
-	-	-	-	-	2,008,201	170
-	-	-	-	-	-	-
171,493	18,197	16,121	80,255	4,404	2,008,201	170
-	-	-	-	-	1,264,609	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	76,266	170
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,340,875	170
-	-	-	-	-	160,094	-
-	-	-	-	-	37,415	-
-	-	-	-	-	402,595	-
171,493	18,197	16,121	80,255	4,404	67,222	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
171,493	18,197	16,121	80,255	4,404	667,326	-
-	-	-	-	-	-	-
171,493	18,197	16,121	80,255	4,404	2,008,201	170
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOMS RIVER REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2010  
(With Comparative Totals for June 30, 2009)

Exhibit E-1

	I.D.E.A. Basic	Title 1 Carryover	I.D.E.A. Preschool	Title III Part A	J. Madison
<b>REVENUES</b>					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	3,720,783	188,487	85,856	39,585	70,196
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>3,720,783</b>	<b>188,487</b>	<b>85,856</b>	<b>39,585</b>	<b>70,196</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	-	28,141	-	25,017	15,585
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	13,062	-	-	721	-
General Supplies	-	158,193	-	4,742	6,574
Tuition	3,469,326	-	80,320	-	-
Textbooks	-	-	-	-	-
<b>Total Instruction</b>	<b>3,482,388</b>	<b>186,334</b>	<b>80,320</b>	<b>30,480</b>	<b>22,159</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	2,153	-	9,105	1,192
Purchased Professional - Educational Services	238,395	-	5,536	-	16,508
General Supplies	-	-	-	-	-
Other Objects	-	-	-	-	30,337
<b>Total Support Services</b>	<b>238,395</b>	<b>2,153</b>	<b>5,536</b>	<b>9,105</b>	<b>48,037</b>
<b>Facilities Acquisition and Construction Services</b>					
Instructional Equipment	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,720,783</b>	<b>188,487</b>	<b>85,856</b>	<b>39,585</b>	<b>70,196</b>
<b>Excess of Revenues Over Expenditures and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Title II D IKE	Title II A Class Size Reduction	Title IV Part A	Title II IKE Carryover	Title III A Carryover	Title IV Carryover	ARRA IDEA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,658	686,114	51,145	4,184	17,280	5,447	3,347,910
-	-	-	-	-	-	-
20,658	686,114	51,145	4,184	17,280	5,447	3,347,910
4,763	522,060	36,110	-	7,500	-	82,481
-	-	-	-	-	-	75,713
-	-	4,965	-	-	-	-
15,531	-	266	4,184	9,206	5,447	396,805
-	-	-	-	-	-	2,313,197
-	-	-	-	-	-	-
20,294	522,060	41,341	4,184	16,706	5,447	2,868,196
-	-	-	-	-	-	-
-	-	-	-	-	-	42,900
364	155,388	9,804	-	574	-	15,384
-	8,666	-	-	-	-	313,411
-	-	-	-	-	-	92,967
-	-	-	-	-	-	-
364	164,054	9,804	-	574	-	464,662
-	-	-	-	-	-	15,052
20,658	686,114	51,145	4,184	17,280	5,447	3,347,910
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOMS RIVER REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2010  
(With Comparative Totals for June 30, 2009)

Exhibit E-1

	ARRA IDEA Preschool	Title III Immigration	ARRA Title 1A	2010	2009
<b>REVENUES</b>					
State Sources	\$ -	\$ -	\$ -	\$ 1,182,453	\$ 1,202,844
Federal Sources	78,835	22,112	1,732,176	12,079,139	6,877,866
Other	-	-	-	-	3,643
<b>Total Revenues</b>	<b>78,835</b>	<b>22,112</b>	<b>1,732,176</b>	<b>13,261,592</b>	<b>8,084,353</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	44,485	15,356	1,280,128	3,326,235	1,710,072
Other Salaries for Instruction	21,380	-	-	97,093	-
Purchased Professional - Educational Services	-	-	90,385	109,133	22,189
General Supplies	-	-	7,401	684,785	120,604
Tuition	1,040	-	-	5,863,883	3,540,620
Textbooks	-	-	-	132,112	198,535
<b>Total Instruction</b>	<b>66,905</b>	<b>15,356</b>	<b>1,377,914</b>	<b>10,213,241</b>	<b>5,592,020</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	-	-	-	160,094	329,349
Salaries of Other Professional Staff	-	-	-	80,315	20,350
Personal Services - Employee Benefits	-	6,756	354,262	957,577	530,642
Purchased Professional - Educational Services	6,892	-	-	1,706,971	1,588,128
General Supplies	-	-	-	92,967	-
Other Objects	5,038	-	-	35,375	23,864
<b>Total Support Services</b>	<b>11,930</b>	<b>6,756</b>	<b>354,262</b>	<b>3,033,299</b>	<b>2,492,333</b>
<b>Facilities Acquisition and Construction Services</b>					
Instructional Equipment	-	-	-	15,052	-
<b>Total Expenditures</b>	<b>78,835</b>	<b>22,112</b>	<b>1,732,176</b>	<b>13,261,592</b>	<b>8,084,353</b>
<b>Excess of Revenues Over Expenditures and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Capital Projects Fund**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 For the Fiscal Year Ended June 30, 2010

Issue/ Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Years	Current Year	
<b>Bonds Resulting in Acquisition of Capital Assets</b>				
School District Bonds - Series 2001	18,700,000	18,695,423	9,478	(4,901)
School District Bonds - Series 2003	27,244,000	27,069,256	40,511	134,233
Gym Floor Renovations-HSS	596,010	522,705	42,364	30,941
Solar - Notes	1,000,000	-	1,000,000	-
	<u>\$ 104,676,175</u>	<u>\$ 103,423,549</u>	<u>\$ 1,092,353</u>	<u>\$ 160,273</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2010

Revenues and Other Financing Sources:

Note proceeds and transfers	\$ 199,850
Interest income	292
	200,142
Total Revenue and Other Financing Sources	200,142

Expenditures

Other Purchased Professional Services	1,063,054
Construction Services	5,207
Facilities Acquisition	42,364
	1,110,625
Total Expenditures	1,110,625
Excess of Revenues under Expenditures	\$ (910,483)

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
 PROJECT STATUS - BUDGETARY BASIS  
 SOLAR PANELS  
 From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Total</u>
Revenues and Other Financing Sources:			
Note Proceeds and Transfers	\$ 22,642,510	\$ 199,850	\$ 22,842,360
State Sources	<u>12,640,364</u>	<u>-</u>	<u>12,640,364</u>
Total Revenue and Other Financing Sources	<u>35,282,874</u>	<u>199,850</u>	<u>35,482,724</u>
Expenditures:			
Other Purchased Professional Services	18,900,000	1,000,000	19,900,000
Construction Services	<u>16,254,397</u>	<u>-</u>	<u>16,254,397</u>
Total Expenditures	<u>35,154,397</u>	<u>1,000,000</u>	<u>36,154,397</u>
Deficiency of Revenues over/(under) Expenditures	<u>\$ 128,477</u>	<u>\$ (800,150)</u>	<u>\$ (671,673)</u>

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## **Proprietary Funds**

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**Enterprise Fund**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET ASSETS  
June 30, 2010  
(With Comparative Totals for June 30, 2009)

Exhibit G-1

ASSETS	Food Services	Corporate Center	Day Care Center	Community Center	Total 2010	Total 2009
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 1,158,947	\$ 67,513	\$ 267,649	\$ 2,106,780	\$ 3,600,889	\$ 3,335,783
Accounts Receivable						
State	6,811	-	-	-	6,811	15,401
Federal	127,457	-	-	-	127,457	76,311
Other	-	-	7,645	-	7,645	7,598
Inventory	67,448	-	-	-	67,448	84,810
Other Current Assets	-	81,941	-	-	81,941	58,189
<b>Total Current Assets</b>	<b>1,360,663</b>	<b>149,454</b>	<b>275,294</b>	<b>2,106,780</b>	<b>3,892,191</b>	<b>3,578,092</b>
Capital assets, net of accumulated depreciation	386,007	5,836,711	331,090	-	6,553,808	6,229,997
<b>Total Assets</b>	<b>\$ 1,746,670</b>	<b>\$ 5,986,165</b>	<b>\$ 606,384</b>	<b>\$ 2,106,780</b>	<b>\$10,445,999</b>	<b>\$ 9,808,089</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Current Liabilities</b>						
Deferred Revenue	\$ 46,771	\$ 15,920	\$ -	\$ -	\$ 62,691	\$ 67,421
Compensated Absences Payable	57,425	-	-	-	57,425	93,317
Tenant Security Deposits	-	47,925	-	-	47,925	44,707
<b>Total Current Liabilities</b>	<b>104,196</b>	<b>63,845</b>	<b>-</b>	<b>-</b>	<b>168,041</b>	<b>205,445</b>
<b>Fund Equity</b>						
Retained Earnings	1,642,474	5,922,320	606,384	2,106,780	10,277,958	9,602,644
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,746,670</b>	<b>\$ 5,986,165</b>	<b>\$ 606,384</b>	<b>\$ 2,106,780</b>	<b>\$10,445,999</b>	<b>\$ 9,808,089</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 ENTERPRISE FUNDS  
 For the Year Ended June 30, 2010  
 (With Comparative Totals for June 30, 2009)

Exhibit G-2

	Food Services	Corporate Center	Day Care Center	Community Center	Totals 2010	Totals 2009
<b>Operating Revenues</b>						
Charges for Services						
Daily Sales - Reimbursable Programs	\$ 1,387,903	\$ -	\$ -	\$ -	\$ 1,387,903	\$ 1,537,512
Daily Sales - Non-Reimbursable Programs	814,796	-	-	-	814,796	1,093,295
Special Functions	1,158,672	-	-	434,824	1,593,496	1,853,447
Fees Collected	10,800	-	443,058	49,237	503,095	487,412
Contributions and Donations from Private Sources	-	-	-	52,472	52,472	50,098
Rental Income	-	937,439	-	305,695	1,243,134	1,045,413
<b>Total Operating Revenues</b>	<b>3,372,171</b>	<b>937,439</b>	<b>443,058</b>	<b>842,228</b>	<b>5,594,896</b>	<b>6,067,177</b>
<b>Operating Expenses</b>						
Cost of Sales	1,984,791	-	-	-	1,984,791	2,276,611
Salaries	1,904,041	-	296,491	29,037	2,229,569	2,195,918
Employee Benefits	310,045	-	-	-	310,045	302,810
Other Purchased Professional Services	-	39,324	95,337	180,052	314,713	447,751
Cleaning, Repair and Maintenance Services	84,484	166,521	99	23,864	274,968	269,385
General Supplies	337,296	25	41,517	126,267	505,105	475,839
Travel	6,698	-	-	-	6,698	9,537
Communications	-	2,628	-	-	2,628	2,133
Rent	18,000	-	15,000	8,140	41,140	46,836
Utilities	30,000	311,089	-	-	341,089	381,538
Miscellaneous	12,911	196,598	-	2,800	212,309	250,765
Depreciation Expense	25,667	167,234	14,713	-	207,614	176,741
Amortization Expense	-	43,122	-	-	43,122	24,592
<b>Total Operating Expenses</b>	<b>4,713,933</b>	<b>926,541</b>	<b>463,157</b>	<b>370,160</b>	<b>6,473,791</b>	<b>6,860,456</b>
<b>Operating (Loss) Income</b>	<b>(1,341,762)</b>	<b>10,898</b>	<b>(20,099)</b>	<b>472,068</b>	<b>(878,895)</b>	<b>(793,279)</b>
<b>Nonoperating Revenues and (Expenses)</b>						
State Sources						
State School Lunch Program	69,255	-	-	-	69,255	63,578
State School Breakfast Program	7,296	-	-	-	7,296	6,132
Federal Sources						
National School Lunch Program	1,273,152	-	-	-	1,273,152	1,069,064
National School Breakfast Program	85,674	-	-	-	85,674	63,787
Fruit and VEG Program	26,648	-	-	-	26,648	11,352
ARRA Food Services Grant	5,995	-	-	-	5,995	-
Food Distribution Program	73,898	-	-	-	73,898	212,365
Intermediate Revenue	7,000	-	-	-	7,000	-
Interest and Investment Revenue	3,860	128	183	1,120	5,291	16,563
<b>Total Nonoperating Revenues and (Expenses)</b>	<b>1,552,778</b>	<b>128</b>	<b>183</b>	<b>1,120</b>	<b>1,554,209</b>	<b>1,442,841</b>
<b>Change in Net Assets</b>	<b>211,016</b>	<b>11,026</b>	<b>(19,916)</b>	<b>473,188</b>	<b>675,314</b>	<b>649,562</b>
<b>Total Net Assets - July 1</b>	<b>1,431,458</b>	<b>5,911,294</b>	<b>626,300</b>	<b>1,633,592</b>	<b>9,602,644</b>	<b>8,953,082</b>
<b>Total Net Assets - June 30</b>	<b>\$ 1,642,474</b>	<b>\$ 5,922,320</b>	<b>\$ 606,384</b>	<b>\$ 2,106,780</b>	<b>\$ 10,277,958</b>	<b>\$ 9,602,644</b>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
 For the Fiscal Year Ended June 30, 2010  
 (With Comparative Totals for June 30, 2009)

Exhibit G-3

	Food Services	Corporate Center	Day Care Center	Community Center	Total 2010	Total 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating (Loss) Income	\$ (1,341,762)	\$ 10,898	\$ (20,099)	\$ 472,068	\$ (878,895)	\$ (793,279)
Adjustments to Reconcile Operating (Loss) Income to Net Cash (Used by) Provided from Operating Activities						
Depreciation and Amortization Expense	25,667	167,916	14,713	-	208,296	201,333
(Increase) Decrease in Accounts Receivable	(42,555)	-	(48)	-	(42,603)	(48,700)
(Increase) Decrease in Inventories	17,363	-	-	-	17,363	(18,020)
(Increase) Decrease in Other Current Assets	-	(23,754)	-	-	(23,754)	(28,211)
Increase (Decrease) in Accounts Payable	-	-	-	-	-	(28,675)
Increase (Decrease) in Compensated Absences Payable	(35,892)	-	-	-	(35,892)	732
Increase (Decrease) in Deferred Revenue	333	(5,063)	-	-	(4,730)	33,504
Increase (Decrease) in Tenant Security Deposits	-	3,218	-	-	3,218	(20,415)
Net Cash (Used by) Provided from Operating Activities	<u>(1,376,846)</u>	<u>153,215</u>	<u>(5,434)</u>	<u>472,068</u>	<u>(756,997)</u>	<u>(701,731)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
State Sources	76,551	-	-	-	76,551	69,711
Federal Sources	1,391,469	-	-	-	1,391,469	1,144,202
Food Distribution Program	73,898	-	-	-	73,898	212,365
Intermediate Revenue	7,000	-	-	-	7,000	-
Net Cash Provided from Non-Capital Financing Activities	<u>1,548,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,548,918</u>	<u>1,426,278</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of Capital Assets	(96,370)	(162,985)	(272,751)	-	(532,106)	(214,940)
Net Cash Used by Capital and Related Financing Activities	<u>(96,370)</u>	<u>(162,985)</u>	<u>(272,751)</u>	<u>-</u>	<u>(532,106)</u>	<u>(214,940)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and Dividends	3,860	128	183	1,120	5,291	16,563
Net Cash Provided From Investing Activities	<u>3,860</u>	<u>128</u>	<u>183</u>	<u>1,120</u>	<u>5,291</u>	<u>16,563</u>
Net Increase (Decrease) in Cash and Cash Equivalents	79,562	(9,642)	(278,002)	473,188	265,106	526,170
Cash and Cash Equivalents—Beginning of Year	1,079,385	77,155	545,651	1,633,592	3,335,783	2,809,613
Cash and Cash Equivalents—End of Year	<u>\$ 1,158,947</u>	<u>\$ 67,513</u>	<u>\$ 267,649</u>	<u>\$ 2,106,780</u>	<u>\$ 3,600,889</u>	<u>\$ 3,335,783</u>

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**Fiduciary Fund**

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 TRUST AND AGENCY FUND  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 June 30, 2010  
 (With Comparative Totals for June 30, 2009)

Exhibit H-1

	Expendable Trust	
	Scholarship Trust Fund	Unemployment Trust
ASSETS		
Cash and Cash Equivalents	\$ 89,902	\$ 5,385,033
Total Assets	\$ 89,902	\$ 5,385,033
LIABILITIES AND FUND BALANCES		
Liabilities		
Payroll Deductions and Withholdings Due to Student Groups	\$ -	\$ 87,380
Total Liabilities	-	87,380
Fund Balances		
Restricted	89,902	5,297,653
Total Liabilities and Fund Balances	\$ 89,902	\$ 5,385,033

Class Trust Fund	Agency			Totals	
	Student Activity	Savings Bonds	Payroll	2010	2009
\$ 30,009	\$ 569,251	\$ 1,286	\$ 4,886,707	\$ 10,962,188	\$ 10,209,527
<u>\$ 30,009</u>	<u>\$ 569,251</u>	<u>\$ 1,286</u>	<u>\$ 4,886,707</u>	<u>\$ 10,962,188</u>	<u>\$ 10,209,527</u>
\$ -	\$ -	\$ 1,286	\$ 4,886,707	\$ 4,975,373	\$ 4,252,860
30,009	569,251	-	-	599,260	587,935
<u>30,009</u>	<u>569,251</u>	<u>1,286</u>	<u>4,886,707</u>	<u>5,574,633</u>	<u>4,840,795</u>
-	-	-	-	5,387,555	5,368,732
<u>\$ 30,009</u>	<u>\$ 569,251</u>	<u>\$ 1,286</u>	<u>\$ 4,886,707</u>	<u>\$ 10,962,188</u>	<u>\$ 10,209,527</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 For the Fiscal Year Ended June 30, 2010  
 (With Comparative Totals for June 30, 2009)

Exhibit H-2

	Scholarship Trust Fund	Unemployment Trust	2010 Total	2009 Total
<b>OPERATING REVENUES</b>				
Local Sources				
Interest on Investments	\$ 1,311	\$ -	\$ 1,311	\$ 2,211
Deductions from Employee Salaries	-	393,305	393,305	398,979
Donations	16,369	-	16,369	12,598
Check Revenue	-	-	-	90
	<u>17,680</u>	<u>393,305</u>	<u>410,985</u>	<u>413,878</u>
<b>OPERATING EXPENSES</b>				
Quarterly Contribution Reports	-	84,309	84,309	132,750
Unemployment Compensation				
Insurance Claims	-	286,737	286,737	107,655
Scholarship Payments	20,800	-	20,800	14,350
Service Charges	183	-	183	-
	<u>20,983</u>	<u>371,046</u>	<u>392,029</u>	<u>254,755</u>
Net (Loss) Income	(3,303)	22,259	18,956	159,123
Fund Balances, July 1	<u>93,205</u>	<u>5,275,394</u>	<u>5,368,599</u>	<u>5,209,609</u>
Fund Balances, June 30	<u>\$ 89,902</u>	<u>\$ 5,297,653</u>	<u>\$ 5,387,555</u>	<u>\$ 5,368,732</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 STUDENT ACTIVITY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 For the Fiscal Year Ended June 30, 2010

Exhibit H-3

	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2010</u>
Intermediate Schools:				
Intermediate North	\$ 2,211	\$ 153,246	\$ (138,161)	\$ 17,296
Intermediate South	15,181	75,974	(65,675)	25,480
Intermediate East	<u>75,321</u>	<u>97,659</u>	<u>(71,335)</u>	<u>101,645</u>
Total Intermediate Schools	<u>92,713</u>	<u>326,879</u>	<u>(275,171)</u>	<u>144,421</u>
High Schools:				
High School North	178,569	586,387	(630,517)	134,439
High School South	106,284	369,830	(360,687)	115,427
High School East	<u>177,640</u>	<u>748,380</u>	<u>(751,056)</u>	<u>174,964</u>
Total High Schools	<u>462,493</u>	<u>1,704,597</u>	<u>(1,742,260)</u>	<u>424,830</u>
Total	<u>\$ 555,206</u>	<u>\$ 2,031,476</u>	<u>\$ (2,017,431)</u>	<u>\$ 569,251</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
For the Fiscal Year Ended June 30, 2010

Exhibit H-4

	<u>Balance</u> <u>July 1, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	<u>\$ 4,172,587</u>	<u>\$ 179,702,504</u>	<u>\$ (178,988,384)</u>	<u>\$ 4,886,707</u>
Total Current Assets	<u><u>\$ 4,172,587</u></u>	<u><u>\$ 179,702,504</u></u>	<u><u>\$ (178,988,384)</u></u>	<u><u>\$ 4,886,707</u></u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Payroll Deductions and Withholdings	<u>\$ 4,172,587</u>	<u>\$ 179,702,504</u>	<u>\$ (178,988,384)</u>	<u>\$ 4,886,707</u>
Total Liabilities and Fund Balance	<u><u>\$ 4,172,587</u></u>	<u><u>\$ 179,702,504</u></u>	<u><u>\$ (178,988,384)</u></u>	<u><u>\$ 4,886,707</u></u>

**Long-Term Debt**

TOMS RIVER REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
June 30, 2010

Exhibit I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2009	Issued / Adjustments	Payments	Balance June 30, 2010
School District Bonds, Series 2003	04/01/03	\$ 27,244,000	7/15/2010	\$ 785,000	4.000%				
			7/15/2011	825,000	4.000%				
			7/15/2012	860,000	4.000%				
			7/15/2013	900,000	4.000%				
			7/15/2014	945,000	4.000%				
			7/15/2015	990,000	4.000%				
			7/15/2016	1,035,000	4.000%				
			7/15/2017	1,080,000	4.000%				
			7/15/2018	1,130,000	4.000%				
			7/15/2019	1,185,000	4.125%				
			7/15/2020	1,240,000	4.250%				
			7/15/2021	1,295,000	4.300%				
			7/15/2022	1,360,000	4.400%				
			7/15/2023	1,420,000	4.500%				
			7/15/2024	1,485,000	4.500%				
			7/15/2025	1,555,000	4.500%				
			7/15/2026	1,630,000	4.500%				
7/15/2027	1,705,000	4.500%							
7/15/2028	1,784,000	4.500%			\$ 23,959,000	\$ -	\$ 750,000	\$ 23,209,000	
School District Refunding Bonds, Series 1999	04/01/99	17,955,000	07/15/09	855,000	4.300%				
Less Refunded Series 2009	04/20/09	<u>(15,790,000)</u>				855,000	-	855,000	-
		<u>\$ 2,165,000</u>							
School District Refunding Bonds Series 2009	04/20/09	15,790,000	7/15/2010	970,000	1.000%				
			7/15/2011	995,000	2.000%				
			7/15/2012	1,025,000	3.000%				
			7/15/2013	1,050,000	2.250%				
			7/15/2014	1,085,000	2.250%				
			7/15/2015	1,135,000	2.750%				
			7/15/2016	1,175,000	3.000%				
			7/15/2017	1,220,000	3.250%				
			7/15/2018	1,275,000	3.500%				
			7/15/2019	1,335,000	3.625%				
			7/15/2020	1,375,000	3.750%				
			7/15/2021	1,425,000	3.875%				
7/15/2022	1,485,000	4.000%			15,790,000	-	240,000	15,550,000	

School District Bonds, Series 2001	05/15/01	18,700,000							
Less: Refunded Bonds, Series 2007	03/01/07	<u>(12,440,000)</u>							
		<u>\$ 6,260,000</u>	01/15/11	855,000	4.750%	1,660,000	-	805,000	855,000
School District Refunding Bonds, Series 2007	03/01/07	12,440,000	01/15/11	-	N/A				
			01/15/12	910,000	4.000%				
			01/15/13	955,000	4.000%				
			01/15/14	1,020,000	5.000%				
			01/15/15	1,160,000	5.000%				
			01/15/16	1,215,000	5.000%				
			01/15/17	1,290,000	5.000%				
			01/15/18	1,370,000	4.500%				
			01/15/19	1,435,000	4.500%				
			01/15/20	1,500,000	4.500%				
			01/15/21	1,585,000	4.500%	12,440,000	-	-	12,440,000
School District Bonds, Series 2004	11/1/2004	24,525,000	01/15/11	660,000	4.212%				
			01/15/12	675,000	4.370%				
			01/15/13	695,000	4.534%				
			01/15/14	705,000	4.635%				
			01/15/15	640,000	4.735%				
			01/15/16	660,000	4.800%				
			01/15/17	1,370,000	4.800%				
			01/15/18	-	5.100%				
			01/15/19	-	5.100%				
			01/15/20	2,235,000	5.100%				
			01/15/21	2,535,000	5.125%				
			01/15/22	2,660,000	5.150%				
			01/15/23	4,470,000	5.200%				
			01/15/24	4,710,000	5.250%	<u>22,665,000</u>	<u>-</u>	<u>650,000</u>	<u>22,015,000</u>
						<u>\$ 77,369,000</u>	<u>\$ -</u>	<u>\$ 3,300,000</u>	<u>\$ 74,069,000</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
June 30, 2010

Exhibit I-2

Series	Amount of Original Issue	Balance June 30, 2009
CAPITAL LEASES		
Xerox Corporation - Print Shop	\$ 34,781	\$ 23,936
Xerox Corporation - Print Shop	34,127	31,283
Xerox Corporation - Student Information	32,750	24,244
Xerox Corporation - Intermediate East	28,286	20,989
Xerox Corporation - Intermediate North	28,286	20,989
Xerox Corporation - High School South	28,286	20,989
Xerox Corporation - High School North	28,286	20,989
Xerox Corporation - High School East	28,286	20,989
Xerox Corporation - Board Office	16,100	3,100
Xerox Corporation - High School East	8,317	4,865
Xerox Corporation - High School South	7,980	2,280
OCE Int. East Media	7,920	6,765
Xerox Corporation - Intermediate North	6,572	3,590
Xerox Corporation - Basic Skills	6,572	3,590
Xerox Corporation - Educational Facilities	6,572	3,590
Xerox Corporation - High School North	6,478	3,789
Xerox Corporation - High School North	6,478	3,789
Xerox Corporation - High School South Media	4,800	-
		<u>\$ 219,766</u>

Note: Capital Lease interest rates vary between 7% and 7.5%

<u>Adjustment</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2010</u>
\$ 265	\$ -	\$ (5,487)	\$ 18,714
345	-	(7,171)	24,457
-	-	(6,183)	18,061
(98)	-	(5,292)	15,599
(98)	-	(5,292)	15,599
(98)	-	(5,292)	15,599
(98)	-	(5,292)	15,599
(98)	-	(5,292)	15,599
3,676	-	(6,776)	-
(20)	-	(2,822)	2,023
(921)	-	(1,359)	-
195	-	(2,175)	4,785
686	-	(3,003)	1,273
-	-	(2,317)	1,273
-	-	(2,317)	1,273
(16)	-	(2,196)	1,577
(16)	-	(2,196)	1,577
-	4,800	(1,200)	3,600
<u>\$ 3,704</u>	<u>\$ 4,800</u>	<u>\$ (71,662)</u>	<u>\$ 156,608</u>

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER NOTES PAYABLE  
June 30, 2010

Exhibit I-2a

NOTES PAYABLE	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2009</u>	<u>New Issuance</u>	<u>Payments Made</u>	<u>Balance June 30, 2010</u>
New Jersey Economic Development Authority-August 18, 1993	1.50%	\$ 1,000,000	\$ 204,572	\$ -	\$ 40,914	\$ 163,658
Deferred Pension Obligation		917,870	917,870	-	-	917,870
BAN Sale - TD Bank November 19, 2008	4.90%	200,000	200,000	-	200,000	-
BAN Sale - Bank of America November 19, 2008	4.00%	800,000	800,000	-	800,000	-
CREBS November 19, 2008	1.15%	2,742,510	<u>2,559,676</u>	<u>-</u>	<u>365,668</u>	<u>2,194,008</u>
			<u>\$ 4,682,118</u>	<u>\$ -</u>	<u>\$ 1,406,582</u>	<u>\$ 3,275,536</u>

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive / (Negative) Final to Actual
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 6,661,616	\$ -	\$ 6,661,616	\$ 6,661,616	\$ -
State Sources					
Debt Service Aid Type II	456,431	-	456,431	456,431	-
Total Revenues	<u>7,118,047</u>	<u>-</u>	<u>7,118,047</u>	<u>7,118,047</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	3,411,465	-	3,411,465	3,305,384	106,081
Redemption of Principal	3,706,582	-	3,706,582	3,706,582	-
Total Regular Debt Service	<u>7,118,047</u>	<u>-</u>	<u>7,118,047</u>	<u>7,011,966</u>	<u>106,081</u>
Total Expenditures	<u>7,118,047</u>	<u>-</u>	<u>7,118,047</u>	<u>7,011,966</u>	<u>106,081</u>
Deficiency of Revenues Under Expenditures	-	-	-	106,081	(106,081)
Fund Balance, July 1	-	-	-	171	171
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,252</u>	<u>\$ (105,910)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,081</u>	<u>\$ (106,081)</u>

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## **Statistical Section**

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## Financial Trends

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-1

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$47,172,494	\$45,657,155	\$45,301,064	\$49,367,861	\$39,150,102	\$49,088,377	\$ 82,567,274
Restricted	364,199	1,150,319	7,211,394	13,178,624	15,105,594	31,251,273	44,416,100
Unrestricted	<u>(3,591,545)</u>	<u>(4,543,377)</u>	<u>718,543</u>	<u>9,831,404</u>	<u>23,954,221</u>	<u>(18,665,770)</u>	<u>(23,203,158)</u>
Total governmental activities net assets	<u>43,945,148</u>	<u>42,264,097</u>	<u>53,231,001</u>	<u>72,377,889</u>	<u>78,209,917</u>	<u>61,673,880</u>	<u>103,780,216</u>
Business-type Activities							
Invested in capital assets, net of related debt	6,553,808	6,230,000	99,152	5,956,740	-	5,889,687	5,910,725
Unrestricted	<u>3,724,150</u>	<u>3,375,546</u>	<u>8,719,284</u>	<u>2,003,817</u>	<u>8,442,046</u>	<u>2,623,854</u>	<u>2,090,645</u>
Total business-type activities net assets	<u>10,277,958</u>	<u>9,605,546</u>	<u>8,818,436</u>	<u>7,960,557</u>	<u>8,442,046</u>	<u>8,513,541</u>	<u>8,001,370</u>
District-wide Activities							
Invested in capital assets, net of related debt	53,726,302	51,887,155	45,400,216	55,324,601	39,150,102	54,978,064	88,477,999
Restricted	364,199	1,150,319	7,211,394	13,178,624	15,105,594	31,251,273	44,416,100
Unrestricted	<u>132,605</u>	<u>(1,167,831)</u>	<u>9,437,827</u>	<u>11,835,221</u>	<u>32,396,267</u>	<u>(16,041,916)</u>	<u>(21,112,513)</u>
Total district-wide activities net assets	<u>\$54,223,106</u>	<u>\$51,869,643</u>	<u>\$62,049,437</u>	<u>\$80,338,446</u>	<u>\$86,651,963</u>	<u>\$70,187,421</u>	<u>\$ 111,781,586</u>

Source: Exhibit A-1

TOMS RIVER REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-2

Expenses	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities</b>							
Instruction:							
Regular	\$ 96,723,532	\$ 91,725,377	\$ 93,536,032	\$ 89,870,917	\$ 89,556,944	\$ 95,601,950	\$ 85,877,606
Special Education	20,409,347	18,581,171	18,536,995	4,738,050	16,150,927	16,420,110	9,636,779
Other Special Education	2,085,579	1,936,770	2,177,419	12,826,617	-	2,896,346	1,227,479
Vocational	2,633,777	2,648,657	2,903,990	2,852,252	2,777,819	3,170,088	2,983,734
School-Sponsored/Other Instructional	8,041,855	7,839,463	7,973,294	14,302,033	10,098,312	7,154,937	8,110,901
Adult/Continuing Education Programs	39,201	31,901	6,739	33,604	24,872	27,802	26,272
Support Services:							
Tuition	667,598	2,387,954	1,985,607	1,321,587	966,270	2,161,383	4,053,312
Student and Instruction Related Services	25,149,439	23,444,250	24,040,993	22,942,557	21,441,454	20,548,474	20,887,711
School Administrative Services	15,757,271	2,904,801	3,195,660	3,300,177	10,939,577	11,283,072	9,611,961
General Administration	3,314,477	14,759,196	14,628,839	15,889,798	2,335,418	5,206,282	3,376,670
Plant Operation and Maintenance	24,895,033	24,101,000	24,340,331	23,474,472	21,993,067	24,808,571	19,583,927
Pupil Transportation	16,639,502	16,955,034	17,762,071	17,054,409	16,028,153	16,199,486	15,004,975
Other support services	-	-	-	101	2,292,321	3,503,699	2,912,664
Special Schools	69,862	80,057	82,316	98,019	79,423	99,592	271,397
Interest on Long-term Debt	3,255,648	3,428,108	3,922,942	4,527,522	3,892,388	2,785,416	2,778,273
Unallocated depreciation	3,077,096	4,731,200	4,719,971	5,217,244	5,070,202	5,012,022	4,170,556
<b>Total governmental activities expenses</b>	<b>222,759,217</b>	<b>215,554,939</b>	<b>219,813,199</b>	<b>218,449,359</b>	<b>203,647,147</b>	<b>216,879,230</b>	<b>190,514,217</b>
<b>Business-type activities:</b>							
Food Service	4,713,932	4,922,710	4,820,133	5,175,046	4,465,204	4,000,092	3,671,931
Corporate Center	926,541	982,127	956,268	1,120,698	911,371	807,993	768,038
Day Care Center	463,157	329,499	316,141	296,583	263,011	212,355	160,450
Community Center	370,161	626,118	311,310	2,803,277	3,138,874	1,135,637	652,876
<b>Total business-type activities expense</b>	<b>6,473,791</b>	<b>6,860,454</b>	<b>6,403,852</b>	<b>9,395,604</b>	<b>8,778,460</b>	<b>6,156,077</b>	<b>5,253,295</b>
<b>Total district expenses</b>	<b>\$ 229,233,008</b>	<b>\$ 222,415,393</b>	<b>\$ 226,217,051</b>	<b>\$ 227,844,963</b>	<b>\$ 212,425,607</b>	<b>\$ 223,035,307</b>	<b>\$ 195,767,512</b>
<b>Program Revenues</b>							
<b>Governmental activities:</b>							
Operating grants and contributions	\$ 12,808,646	\$ 8,068,901	\$ 8,438,597	\$ 8,558,685	\$ 8,429,629	\$ 7,266,111	\$ 7,602,552
<b>Business-type activities:</b>							
Charges for services:							
Investments Earnings	-	-	-	-	-	20,578	15,128
Miscellaneous Income	-	-	-	-	-	-	(21,395)
Transfers	-	-	-	-	-	50,000	35,250
Tuition Received	-	-	-	-	-	191,138	210,341
Pupil Transportation	-	-	-	-	-	140,663	94,674
Food Service	3,372,171	3,836,181	3,627,630	3,555,113	3,496,677	3,328,377	2,896,583
Corporate Center	937,439	787,549	911,139	808,487	776,522	767,187	746,085
Day Care Center	443,058	443,142	434,852	3,149,057	337,159	263,456	221,035
Community Center	842,228	1,000,306	946,880	374,901	2,879,336	1,241,637	895,747
Operating grants and contributions	1,548,918	1,426,278	1,154,680	1,091,843	1,060,798	997,013	971,561
<b>Total business-type activities program revenues</b>	<b>7,143,814</b>	<b>7,493,456</b>	<b>7,075,181</b>	<b>8,979,401</b>	<b>8,550,492</b>	<b>7,000,049</b>	<b>6,065,009</b>
<b>Total district-wide</b>	<b>\$ 19,952,460</b>	<b>\$ 15,562,357</b>	<b>\$ 15,513,778</b>	<b>\$ 17,538,086</b>	<b>\$ 16,980,121</b>	<b>\$ 14,266,160</b>	<b>\$ 13,667,561</b>
<b>Net (Expense)/Revenue</b>							
<b>Governmental activities</b>	\$ (209,950,571)	\$ (207,486,038)	\$ (211,374,602)	\$ (209,890,674)	\$ (195,217,518)	\$ (209,613,119)	\$ (182,911,665)
<b>Business-type activities</b>	670,023	633,000	671,329	(416,203)	(227,968)	843,972	811,714
<b>Total district-wide net expense</b>	<b>\$ (209,280,548)</b>	<b>\$ (206,853,038)</b>	<b>\$ (210,703,273)</b>	<b>\$ (210,306,877)</b>	<b>\$ (195,445,486)</b>	<b>\$ (208,769,147)</b>	<b>\$ (182,099,951)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental activities:</b>							
Property taxes levied for general purposes, net	\$ 115,800,000	\$ 111,634,746	\$ 107,722,170	\$ 104,580,126	\$ 102,055,793	\$ 100,238,582	\$ 97,747,697
Taxes levied for debt service	6,661,616	4,065,852	2,905,077	5,696,185	4,934,395	4,135,705	3,913,881
Unrestricted grants and contributions	84,341,484	80,995,846	96,786,228	91,249,757	92,686,454	88,558,272	78,090,428
Investment earnings	27,210	210,337	725,695	1,322,053	3,783,044	844,113	625,143
Miscellaneous income	2,214,528	2,916,172	8,406,356	6,945,527	2,343,869	298,178	496,397
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-
Transfers	-	-	(50,000)	265,000	(50,000)	(50,000)	-
<b>Total governmental activities</b>	<b>209,044,838</b>	<b>199,822,953</b>	<b>216,495,526</b>	<b>210,058,648</b>	<b>205,753,555</b>	<b>194,024,850</b>	<b>180,873,546</b>
<b>Business-type activities:</b>							
Investment Earnings	5,291	16,561	102,635	199,707	106,472	-	-
Transfers	-	-	50,000	(265,000)	50,000	-	-
<b>Total business-type activities</b>	<b>5,291</b>	<b>16,561</b>	<b>152,635</b>	<b>(65,293)</b>	<b>156,472</b>	<b>-</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 209,050,129</b>	<b>\$ 199,839,514</b>	<b>\$ 216,648,161</b>	<b>\$ 209,993,355</b>	<b>\$ 205,910,027</b>	<b>\$ 194,024,850</b>	<b>\$ 180,873,546</b>

Source: Exhibit A-2

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST SEVEN FISCAL YEARS  
 UNAUDITED

Exhibit J-3

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund							
Reserved	\$ 9,069,361	\$ 13,302,560	\$ 14,626,844	\$ 14,171,126	\$ 17,424,207	\$ 16,868,937	\$ 16,444,763
Unreserved	<u>3,330,513</u>	<u>2,144,003</u>	<u>5,108,372</u>	<u>5,859,654</u>	<u>8,134,729</u>	<u>4,055,756</u>	<u>2,465,927</u>
Total General Fund	<u>\$ 12,399,874</u>	<u>\$ 15,446,563</u>	<u>\$ 19,735,216</u>	<u>\$ 20,030,780</u>	<u>\$ 25,558,936</u>	<u>\$ 20,924,693</u>	<u>\$ 18,910,690</u>
All Other Governmental Funds							
Reserved	\$ 18,272	\$ 37,020	\$ 23,300	\$ -	\$ 534,079	\$ 6,874,523	\$ -
Unreserved, reported in:							
Capital projects fund	239,675	1,113,128	4,824,617	4,727,668	11,036,546	6,288,921	26,731,529
Debt service fund	<u>106,252</u>	<u>171</u>	<u>2,386,777</u>	<u>5,051,021</u>	<u>3,534,969</u>	<u>1,050,210</u>	<u>1,239,808</u>
Total All Other Governmental Funds	<u>\$ 364,199</u>	<u>\$ 1,150,319</u>	<u>\$ 7,234,694</u>	<u>\$ 9,778,689</u>	<u>\$ 15,105,594</u>	<u>\$ 14,213,654</u>	<u>\$ 27,971,337</u>

Source: Exhibit B-1

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-4

	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>							
Local Tax Levy	\$ 122,461,616	\$ 115,700,598	\$ 107,722,170	\$ 104,580,126	\$ 106,990,188	\$ 104,374,287	\$ 101,661,578
Other Local Revenue	2,441,589	6,794,020	2,163,953	2,096,298	3,526,540	25,667,290	1,426,555
Restricted Grants-in-Aid - Ocean County	4,500	21,967	13,265	-	15,365	13,968	12,016
State Revenue	85,319,587	82,176,131	92,094,702	89,933,799	91,556,147	89,688,194	79,763,082
Federal Revenue	11,626,193	6,866,649	-	17,465	6,876,390	6,122,217	5,917,882
<b>Total Revenue</b>	<b>221,853,485</b>	<b>211,559,365</b>	<b>201,994,090</b>	<b>196,627,688</b>	<b>208,964,630</b>	<b>225,865,956</b>	<b>188,781,113</b>
<b>Expenditures</b>							
Instruction:							
Regular	60,861,904	60,157,586	57,677,719	57,928,682	57,493,051	55,168,148	58,115,281
Special	13,682,035	12,867,969	12,112,797	11,545,024	11,008,796	9,880,339	6,880,410
Other Special	1,391,433	1,337,305	1,420,945	-	-	1,747,885	878,227
Vocational	1,792,949	1,883,453	1,959,154	1,932,848	1,939,440	1,987,267	2,170,671
School-Sponsored/Other Instructional	4,561,426	4,395,856	4,540,810	6,575,183	6,357,329	3,755,927	5,408,442
Adult/Continuing Education Programs	27,573	22,427	5,123	23,314	24,872	23,411	26,272
<b>Total Instruction</b>	<b>82,317,320</b>	<b>80,664,596</b>	<b>77,716,548</b>	<b>78,005,051</b>	<b>76,823,488</b>	<b>72,562,977</b>	<b>73,479,303</b>
Undistributed							
Tuition	667,598	2,387,954	1,985,607	1,321,587	966,270	2,161,383	4,053,312
Student and Instruction Related Services	17,114,306	16,546,017	15,868,276	15,538,474	15,396,417	14,324,209	15,077,288
General Administration	2,740,117	2,400,865	2,619,296	2,787,596	2,312,527	2,123,648	2,898,368
School Administration	10,713,775	10,424,275	7,056,575	10,795,654	7,559,041	7,609,769	6,866,798
Operations and Maintenance	19,645,580	19,427,536	22,603,208	18,574,415	20,177,552	18,445,638	15,997,366
Student Transportation	12,933,062	13,748,617	13,909,398	13,312,655	12,795,104	10,997,496	12,865,727
Business and Other Support Services	-	292	-	101	1,875,122	1,749,785	2,169,112
Unallocated Benefits	61,309,896	52,799,752	59,469,404	57,984,351	47,793,936	52,668,663	43,232,302
Special School	46,691	55,059	53,778	66,417	53,885	68,013	196,842
<b>Total Undistributed</b>	<b>125,171,025</b>	<b>117,790,367</b>	<b>123,565,542</b>	<b>120,381,250</b>	<b>108,929,854</b>	<b>110,148,604</b>	<b>103,357,115</b>
Capital Outlay:							
Equipment	258,936	1,014,401	528,583	1,638,922	-	4,003,854	2,722,525
Facilities Acquisition and Construction Services	160,413	-	-	-	900,972	-	-
<b>Total Capital Outlay</b>	<b>419,349</b>	<b>1,014,401</b>	<b>528,583</b>	<b>1,638,922</b>	<b>900,972</b>	<b>4,003,854</b>	<b>2,722,525</b>
Transfers Out of General Fund	-	(300,000)	(50,000)	(2,135,000)	(50,000)	(50,000)	(50,000)
<b>Total General Fund Expenditures</b>	<b>207,907,694</b>	<b>199,769,364</b>	<b>201,760,673</b>	<b>197,890,223</b>	<b>186,604,314</b>	<b>186,665,435</b>	<b>179,508,943</b>
Special Revenue:							
Federal	11,626,193	6,866,649	6,844,541	1,636,176	6,876,390	6,521,389	5,787,914
State	1,182,453	1,202,252	1,647,646	6,922,509	1,553,239	1,646,235	2,298,248
<b>Total Special Revenue Expenditures</b>	<b>12,808,646</b>	<b>8,068,901</b>	<b>8,492,187</b>	<b>8,558,685</b>	<b>8,429,629</b>	<b>8,167,624</b>	<b>8,086,162</b>
Debt Service Expenditures	7,011,966	7,107,723	6,789,447	6,959,134	6,333,270	4,890,031	4,057,657
Capital Projects Expenditures	1,092,353	7,515,483	11,482,678	13,933,730	15,718,078	40,935,599	14,510,522
<b>Total Governmental Fund Expenditures</b>	<b>\$ 228,820,659</b>	<b>\$ 222,461,471</b>	<b>\$ 228,524,985</b>	<b>\$ 227,341,772</b>	<b>\$ 217,085,291</b>	<b>\$ 240,658,689</b>	<b>\$ 206,163,284</b>

Source: Exhibit B-2

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

Description	2010	2009	2008	2007	2006	2005	2004
Interest on Investments	\$ 26,918	\$ 208,104	\$ 686,927	\$ 1,211,781	\$ 1,182,671	\$ 844,113	\$ 625,143
Tuition	400,375	428,009	496,449	255,598	200,476	191,138	210,341
Prior Year Refund	20,606	863,856	-	12,340	-	-	-
Net Donations	163,706	107,744	785,522	209,223	-	-	-
Rental Income	84,422	88,520	99,604	50,549	-	-	-
Transportation	127,018	90,457	146,741	235,126	151,881	-	-
Miscellaneous	1,418,402	1,326,637	-	121,681	1,883,900	24,491,376	496,397
	<u>\$ 2,241,447</u>	<u>\$ 3,113,327</u>	<u>\$ 2,215,243</u>	<u>\$ 2,096,298</u>	<u>\$ 3,418,928</u>	<u>\$ 25,526,627</u>	<u>\$ 1,331,881</u>

Source: District Records

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**Revenue Capacity**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY  
 Last Ten Years  
 Unaudited

Exhibit J-6

Year Ended December 31,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
<i><u>Borough of Beachwood</u></i>			
2000	405,451,910	384,368,540	105.49%
2001	389,320,041	425,932,430	91.40%
2002	393,709,421	457,001,438	86.15%
2003	399,173,837	505,344,721	78.99%
2004	402,943,469	597,422,516	67.45%
2005	407,110,900	838,366,763	48.56%
2006	836,057,869	966,257,792	86.53%
2007	945,859,318	1,032,953,400	91.57%
2008	1,017,531,946	1,049,002,003	97.00%
2009	1,042,734,166	2,606,835,415	40.00%
<i><u>Township of Toms River</u></i>			
2000	6,244,187,780	5,701,072,812	109.53%
2001	5,833,990,859	6,787,685,326	85.95%
2002	5,981,888,786	7,666,334,738	78.03%
2003	6,106,905,362	8,779,869,939	69.56%
2004	6,195,811,366	10,305,149,547	60.12%
2005	6,270,976,300	14,178,106,037	44.23%
2006	12,088,696,143	14,178,106,037	85.26%
2007	14,189,633,928	16,391,134,849	86.57%
2008	15,892,450,260	25,632,984,290	62.00%
2009	17,221,567,478	30,213,276,277	57.00%
<i><u>Borough of Pine Beach</u></i>			
2000	126,593,307	120,541,944	105.02%
2001	121,610,800	130,276,240	93.35%
2002	123,667,152	144,019,183	85.87%
2003	124,792,383	162,477,263	76.81%
2004	126,218,974	181,133,696	69.68%
2005	282,922,200	255,783,564	110.61%
2006	258,808,832	302,214,039	85.64%
2007	291,013,315	315,042,340	92.37%
2008	314,323,357	245,565,123	128.00%
2009	319,505,115	238,436,653	134.00%
<i><u>Borough of South Toms River</u></i>			
2000	102,636,228	94,263,758	108.88%
2001	94,668,917	103,480,569	91.48%
2002	94,419,853	109,590,285	86.16%
2003	94,511,376	123,128,532	76.76%
2004	94,760,326	141,094,611	67.16%
2005	94,947,600	212,505,819	44.68%
2006	215,574,043	262,802,654	82.03%
2007	254,072,999	286,910,523	88.55%
2008	279,937,241	636,221,003	44.00%
2009	290,444,151	216,749,366	134.00%

Source: Municipal Tax Offices

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 PER \$100 OF ASSESSED VALUATION

Exhibit J-7

Last Ten Years  
 Unaudited

Assessment Year	School District	Township	Ocean County	Total
<i><u>Borough of Beachwood</u></i>				
2000	1.381	0.773	0.583	2.737
2001	1.367	0.819	0.613	2.799
2002	1.367	0.819	0.613	2.799
2003	1.357	0.878	0.614	2.849
2004	1.388	0.932	0.637	2.957
2005	1.408	1.028	0.671	3.107
2006	1.134	1.445	0.696	3.275
2007	0.590	0.492	0.303	1.385
2008	0.627	0.533	0.316	1.476
2009	0.666	0.559	0.320	1.545
<i><u>Township of Toms River</u></i>				
2000	1.456	0.498	0.644	2.598
2001	1.484	0.490	0.679	2.653
2002	1.525	0.492	0.697	2.714
2003	1.546	0.495	0.713	2.754
2004	1.559	0.584	0.745	2.888
2005	1.587	0.700	0.765	3.052
2006	1.577	0.679	0.805	3.061
2007	1.636	0.816	0.825	3.277
2008	0.634	0.290	0.308	1.232
2009	0.634	0.290	0.308	1.232
<i><u>Borough of Pine Beach</u></i>				
2000	1.384	0.505	0.498	2.387
2001	1.366	0.589	0.614	2.569
2002	1.375	0.459	0.059	1.893
2003	1.402	0.600	0.630	2.632
2004	1.341	0.617	0.519	2.477
2005	0.629	0.392	0.253	1.274
2006	0.629	0.419	0.307	1.355
2007	0.637	0.441	0.326	1.404
2008	0.651	0.460	0.333	1.444
2009	0.700	0.465	0.338	1.503
<i><u>Borough of South Toms River</u></i>				
2000	1.409	1.036	0.520	2.965
2001	1.387	1.106	0.613	3.106
2002	1.387	1.106	0.524	3.017
2003	1.392	1.237	0.632	3.261
2004	1.406	1.550	0.639	3.595
2005	1.426	1.656	0.587	3.669
2006	0.521	0.617	0.262	1.400
2007	0.557	0.675	0.294	1.526
2008	0.602	0.749	0.318	1.669
2009	0.643	0.786	0.320	1.749

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS  
 For Year Ended December 31, 2009

Exhibit J-8

Taxpayer	Assessed Valuation 2009	As a % of District's Net Assessed Valuation
<u><i>Borough of Beachwood</i></u>		
Individual Taxpayer #1	\$ 4,133,900	0.40%
Individual Taxpayer #2	3,504,400	0.34%
Individual Taxpayer #3	3,297,300	0.32%
Town and Country Bakery	2,038,300	0.20%
Cranberry Road LLC	1,741,500	0.17%
Rite Aid Corp	1,544,100	0.15%
Individual Taxpayer #4	1,369,300	0.13%
Individual Taxpayer #5	1,352,400	0.13%
Moorehouse-Speedwell LTD	1,327,200	0.13%
Individual Taxpayer #6	1,323,300	0.13%
Total	<u>\$ 21,631,700</u>	<u>2.07%</u>
<u><i>Township of Toms River</i></u>		
CPI at Simon Property Group LP	\$ 220,000,000	1.28%
Ciba Specialty Chemical Corp.	80,460,000	0.47%
SDD Inc. at D Donofrio	60,473,800	0.35%
J & I Realty Associates LLC	40,806,900	0.24%
SP Acquisition Assoc at Pyne Co.	40,000,000	0.23%
Fairways at Bea Lea LLC	34,622,600	0.20%
Indian Head Plaza Assoc at JK Mgmt	27,571,100	0.16%
909 Route 37 West at Cronheim	23,999,000	0.14%
ACI Toms River LLC	23,571,500	0.14%
Dover Parkade LLC at Paramount Realty	22,380,000	0.13%
Total	<u>\$ 573,884,900</u>	<u>3.33%</u>
<u><i>Borough of Pine Beach</i></u>		
Individual Taxpayer #1	\$ 1,171,000	0.37%
Individual Taxpayer #2	1,079,200	0.34%
Individual Taxpayer #3	1,073,400	0.34%
Individual Taxpayer #4	1,067,100	0.33%
Individual Taxpayer #5	1,041,700	0.33%
Individual Taxpayer #6	1,039,200	0.33%
Individual Taxpayer #7	982,600	0.31%
Individual Taxpayer #8	977,600	0.31%
Individual Taxpayer #9	966,000	0.30%
Individual Taxpayer #10	879,400	0.28%
Total	<u>\$ 10,277,200</u>	<u>3.22%</u>
<u><i>Borough of South Toms River</i></u>		
PPM Holdings Co.	\$ 5,431,700	1.87%
Lighthouse Point Marina and Yacht Club	3,716,300	1.28%
Lorlin Realty, Inc.	2,235,600	0.77%
Zack and Roula Moros	1,714,000	0.59%
Safebet, LLC	1,700,000	0.59%
530 LLC	1,520,000	0.52%
Tradewinds Marina	1,370,500	0.47%
Kosich, Katharin	1,137,600	0.39%
Boynton, Susan	1,079,500	0.37%
Mini Mall, Inc	1,000,700	0.34%
Total	<u>\$ 20,905,900</u>	<u>7.20%</u>

Source: Tax Collectors

TOMS RIVER REGIONAL SCHOOL DISTRICT  
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

Exhibit J-9

Last Ten Years  
Unaudited

Calendar Year Ended December 31,	Total Tax Levy	Current Tax Collections	Percent of Tax Levy Collected
<i><u>Borough of Beachwood</u></i>			
2000	10,620,989	10,209,961	96.13%
2001	10,940,904	10,623,901	97.10%
2002	11,130,584	10,836,631	97.36%
2003	11,477,757	11,186,891	97.47%
2004	12,029,198	11,742,859	97.62%
2005	12,789,684	12,478,894	97.57%
2006	13,650,847	13,311,187	97.51%
2007	4,973,573	4,813,424	96.78%
2008	15,052,335	14,585,758	96.90%
2009	15,784,498	15,293,527	96.89%
<i><u>Township of Toms River</u></i>			
2000	148,105,622	144,072,791	97.28%
2001	145,685,513	142,103,888	97.54%
2002	162,920,741	159,558,539	97.94%
2003	168,638,034	165,316,009	98.03%
2004	180,807,948	177,199,228	98.00%
2005	186,578,632	182,722,866	97.93%
2006	200,128,145	196,019,651	97.95%
2007	204,585,917	199,333,209	97.43%
2008	212,485,362	207,940,875	97.86%
2009	118,269,202	113,188,256	95.70%
<i><u>Borough of Pine Beach</u></i>			
2000	2,467,000	2,380,655	96.50%
2001	3,069,728	2,970,507	96.77%
2002	3,195,702	3,106,706	97.22%
2003	3,247,116	3,093,852	95.28%
2004	3,298,547	3,199,153	96.99%
2005	3,790,417	3,676,383	96.99%
2006	3,929,341	3,811,128	96.99%
2007	4,220,441	4,093,406	96.99%
2008	4,340,945	4,245,010	97.79%
2009	4,539,269	4,400,340	96.94%
<i><u>Borough of South Toms River</u></i>			
2000	2,844,980	2,593,970	91.18%
2001	2,886,286	2,703,286	93.66%
2002	2,944,950	2,811,382	95.46%
2003	3,094,444	2,985,638	96.48%
2004	3,415,940	3,322,343	97.26%
2005	3,597,799	3,524,830	97.97%
2006	3,913,699	3,799,376	97.08%
2007	4,306,774	4,188,314	97.25%
2008	4,730,142	4,493,635	95.00%
2009	4,962,865	4,754,738	95.81%

Source: Municipal Tax Offices

**Debt Capacity**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Total District	② % of Personal Income	② Per Capita
	① General Obligation Bonds	Note Payables	Capital Leases			
2004	\$ 63,584,000	\$ -	\$ 89,497	\$ 63,673,497	1.86%	\$ 31,323
2005	86,234,000	-	102,580	86,336,580	2.45%	31,782
2006	84,284,000	6,327,316	223,369	90,834,685	2.42%	33,558
2007	82,924,000	6,286,401	143,487	89,353,888	2.32%	34,509
2008	80,114,000	7,145,487	325,618	87,585,105	2.18%	36,037
2009	77,369,000	4,682,119	219,765	82,270,884	1.96%	37,228
2010	74,069,000	3,275,537	156,609	77,501,146	1.73%	39,521

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

① Includes Early Retirement Incentive Plan (ERIP) refunding.

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

TOMS RIVER REGIONAL SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-11

Fiscal Year Ended June 30,	Net Bonded Debt	Ratio of Bonded Debt To Assessed Value	Per Capita
2004	63,584,000	2.85%	582.34
2005	86,234,000	2.83%	778.43
2006	84,284,000	2.52%	753.53
2007	82,924,000	1.04%	744.51
2008	80,114,000	0.51%	717.15
2009	81,133,249	0.46%	720.83
2010	76,426,667	0.40%	672.56

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation. School District population data was provided by the U.S. Bureau of the Census, Population Division.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
 UNAUDITED

Exhibit J-12

Net Direct Debt of School District as of June 30, 2010	<u>\$ 76,426,667</u>
Net Overlapping Debt of School District:	
Beachwood (100%)	426,924,510
Toms River (100%)	98,075,398
Pine Beach (100%)	4,285,866
South Toms River (100%)	1,333,163
	<u>530,618,938</u>
 Total Direct and Overlapping Bonded Debt as of June 30, 2010	 <u><u>\$ 607,045,604</u></u>

Note: Overlapping governments are those that coincide, at least in part, with 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.

Source: Municipal Tax Collector

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2010

<u>Calendar Year</u>	<u>Equalized Valuation Basis</u>
2009	\$ 18,874,250,910
2008	17,504,242,804
2007	15,680,579,560
	<u><u>\$ 52,059,073,274</u></u>

Average equalized valuation of taxable property

\$ 17,353,024,425

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
School borrowing margin (4% of \$17,353,024,425)	\$ 694,120,977	\$ 649,556,991	\$ 622,630,583	\$ 381,037,529	\$ 507,337,658	\$ 295,856,343
Net bonded school debt as of June 30,	<u>76,426,667</u>	<u>81,133,249</u>	<u>80,114,000</u>	<u>82,924,000</u>	<u>84,284,000</u>	<u>63,584,000</u>
School Borrowing Margin Available	<u><u>\$ 617,694,310</u></u>	<u><u>\$ 568,423,742</u></u>	<u><u>\$ 542,516,583</u></u>	<u><u>\$ 298,113,529</u></u>	<u><u>\$ 423,053,658</u></u>	<u><u>\$ 232,272,343</u></u>

Source: Toms River Regional School District Supplemental Debt Statement for the Fiscal Year Ended June 30, 2010

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## **Demographic and Economic Information**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 DEMOGRAPHIC STATISTICS  
 Last Ten Calendar Years  
 Unaudited

Exhibit J-14

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Regional School District Population</u>
2000	4.88%	\$ 29,694	105,665
2001	6.83%	30,023	105,665
2002	4.60%	30,803	105,665
2003	5.60%	31,323	109,187
2004	4.00%	31,782	110,779
2005	4.50%	33,558	111,852
2006	5.83%	34,509	111,381
2007	5.20%	36,037	111,712
2008	6.75%	37,228	112,555
2009	10.65%	39,521	113,635

**Unemployment Rates:**

	<u>Beachwood</u>	<u>Dover</u>	<u>Pine Beach</u>	<u>South Toms River</u>
2000	7.4%	5.6%	5.6%	8.7%
2001	4.6%	3.5%	3.4%	5.4%
2002	6.1%	4.6%	4.6%	7.1%
2003	6.4%	4.9%	4.8%	7.6%
2004	6.6%	4.2%	4.2%	6.6%
2005	4.5%	4.8%	3.7%	7.5%
2006	5.2%	5.5%	4.2%	8.4%
2007	4.6%	5.1%	3.7%	7.4%
2008	5.9%	6.8%	4.8%	9.5%
2009	9.8%	9.4%	8.0%	15.4%

Source: Ocean County

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## **Operating Information**

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST SIX FISCAL YEARS  
 UNAUDITED

Exhibit J-16

<b>Function/Program</b>	<u>* 2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Instruction:</b>						
Regular	1,043	1,100	1,178	1,216	1,234	1,223
Special Education	322	304	165	104	98	90
Other Special Education	-	3	3	3	1	1
Vocational	23	26	4	5	4	6
<b>Support Services:</b>						
Student and Instruction Related Services	40	46	68	70	151	149
School Administrative Services	137	102	124	131	172	175
General Administration	34	77	77	75	80	78
Plant Operation and Maintenance	272	175	178	174	180	176
Administrative Information Technology	18	19	11	11	13	13
Pupil Transportation	185	190	187	187	191	198
Other Support Services	121	111	87	87	148	150
<b>Total</b>	<u><u>2,195</u></u>	<u><u>2,153</u></u>	<u><u>2,082</u></u>	<u><u>2,063</u></u>	<u><u>2,272</u></u>	<u><u>2,259</u></u>

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

Source: District Records

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST SIX FISCAL YEARS  
 UNAUDITED

Exhibit J-17

<u>Fiscal Year Ended June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance %</u>
2005	18,244	\$ 240,658,689	\$ 13,191	18.43%	1,224	18,121.5	16,938.2	-0.4%	93.5%
2006	18,181	\$ 217,085,291	\$ 11,940	-9.48%	1,235	17,851.4	16,692.7	-1.5%	93.5%
2007	17,634	\$ 227,341,772	\$ 12,892	7.97%	1,228	17,576.4	16,478.4	-1.3%	93.8%
2008	17,396	\$ 228,524,985	\$ 13,137	1.90%	1,350	17,230.5	16,185.3	-1.8%	93.9%
2009	17,239	\$ 228,562,200	\$ 13,258	0.93%	1,295	17,169.8	16,144.2	-0.3%	94.0%
2010	17,170	\$ 222,461,471	\$ 12,956	-2.28%	1,193	17,090.1	16,071.8	-0.4%	94.0%

Source: District Records

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST SEVEN FISCAL YEARS  
UNAUDITED

Exhibit J-18

<b>District Building</b>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Elementary</b>							
Square Feet	954,699	926,543	926,543	926,543	926,543	926,542	926,541
Capacity (students)	7,897	7,897	7,897	7,897	7,897	7,897	7,897
Enrollment	7,504	7,480	7,632	7,705	7,909	8,185	8,374
<b>Middle School</b>							
Square Feet	632,543	641,596	641,596	641,596	552,596	358,213	358,213
Capacity (students)	4,492	4,492	4,492	4,492	4,392	3,000	3,000
Enrollment	4,079	4,168	4,138	4,199	4,259	4,186	4,275
<b>High School</b>							
Square Feet	818,041	793,994	793,994	793,994	793,994	793,994	793,994
Capacity (students)	5,012	5,012	5,012	5,012	5,012	5,012	5,012
Enrollment	5,587	5,574	5,626	5,680	6,013	5,873	5,815

Number of Schools at June 30, 2010

Elementary = 12 + space in administration building

Middle School = 3 + 1 athletic facility

Senior High School = 3

Other = 0

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TOMS RIVER REGIONAL SCHOOL DISTRICT

Exhibit J-19

GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES  
 For the Fiscal Years Ended June 30, 2010 through 2004  
 UNAUDITED

School Facilities	2010	2009	2008	2007	2006	2005	2004
Toms River Intermediate South	\$ 260,753	\$ 14,065	\$ 30,645	\$ 12,203	\$ 15,284	\$ -	\$ -
Toms River High School East	332,722	50,893	114,428	72,158	67,332	29,942	134,784
Toms River High School North	549,600	71,788	65,327	74,854	138,171	94,597	121,117
Toms River High School South	232,319	62,349	72,272	70,103	47,236	59,520	88,381
Toms River Intermediate East	349,560	35,084	19,739	41,514	46,564	60,024	16,267
Toms River Intermediate North	240,699	35,788	28,315	29,217	38,892	41,575	136,643
Beachwood Elementary	103,149	12,488	22,660	10,478	28,588	26,368	34,516
Cedar Grove Elementary	188,818	17,864	10,533	8,338	30,839	21,630	12,925
East Dover Elementary	139,651	12,058	18,013	14,577	11,348	27,436	19,765
Hooper Avenue Elementary	136,544	9,401	12,839	9,176	32,042	24,590	20,043
North Dover Elementary	116,688	24,040	21,015	28,542	15,771	93,764	14,866
Pine Beach Elementary	89,940	8,082	20,079	17,381	21,637	32,789	46,378
Silver Bay Elementary	160,947	20,698	19,353	17,801	25,449	30,549	8,897
South Toms River Elementary	86,267	10,858	24,038	57,997	16,066	21,451	22,654
Walnut Street Elementary	144,249	13,815	13,951	27,394	23,608	48,774	13,851
Washington Street Elementary	75,063	6,694	8,481	9,768	13,095	13,913	15,324
West Dover Elementary	84,839	18,694	11,313	10,370	10,052	21,532	20,478
Joseph A. Citta Elementary	104,586	15,904	10,721	17,957	37,191	20,668	17,603
Subtotal	3,396,394	440,563	523,722	529,828	619,165	669,122	744,492
Other Facilities	221,489	3,121,847	2,822,695	3,789,042	2,549,210	2,793,762	2,709,341
Grand Total	<u>\$ 3,617,883</u>	<u>\$ 3,562,410</u>	<u>\$ 3,346,417</u>	<u>\$ 4,318,870</u>	<u>\$ 3,168,375</u>	<u>\$ 3,462,884</u>	<u>\$ 3,453,833</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
June 30, 2010  
UNAUDITED

Exhibit J-20

	<u>Coverage Limits</u>	<u>Deductible / SIR</u>
Excess General Liability Auto Liability (STAR Ins. Co.)	11,000,000/ 25,000,000	300,000
Excess Workmens Compensation	Statutory	500,000
Property coverage for claims against fire, damage or other losses, including Boiler and Machinery, Physical Plant, Structure and Inland Marine (Chubb)	432,545,416	100,000
Errors and Omissions/Employment Practices Liability (Darwin National Insurance Company)	5,000,000	50,000/75,000
Public Employees Faithful Performance (Selective Insurance)	680,000	Mr. Varley - Treas.
Position Bond - Ohio Casualty	5,000	Mr. Doering
Position Bond - Travelers	5,000	Mrs. Saxton
Position Bond - Travelers	5,000	Mr. Roselli
Public Employee's Dishonesty Bond (Travelers)	500,000	25,000

Source: District Records as of October 2010

**Single Audit Section**

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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*

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

We have audited the general-purpose financial statements of the Board of Education of the Toms River Regional School District, in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Toms River Regional School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements, but not for the purpose of expressing and opinion on the effectiveness of the Toms River Regional School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Toms River Regional School District Board of Education's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material, as defined above. However; we identified certain deficiencies in internal control over the financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as item 2010-01. 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Toms River Regional School District Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general-purpose 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2010-01.

We noted certain other matters that we reported to management of the Toms River School District in a separate letter dated November 29, 2010.

This report is intended solely for the information and use of the management of the Toms River Regional School Districts' Board of Education, the New Jersey State Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



William C. McNamara  
Licensed Public School Accountant  
No. CS02023  
Cowan, Guteski & Co., P.A.

Toms River, New Jersey  
November 29, 2010



## INDEPENDENT AUDITORS' REPORT

Honorable President and  
Members of the Board of Education  
Toms River Regional School District  
County of Ocean  
Toms River, New Jersey 08753

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Toms River Regional School District ("District"), in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, of the Toms River Regional School District, in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2010 and the respective changes in financial position and cash flows where applicable for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 29, 2010 on our consideration of the Toms River Regional School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 through 14 and 43 through 49 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 standards generally accepted in the United States of America, which consists of inquiries of management about the methods or 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.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Toms River Regional Schools Board of Education's financial statements as a whole. The introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables 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.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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William C. McNamara, CPA  
Licensed Public School Accountant  
No. CS02023  
Cowan, Guteski & Co., P.A.

Toms River, New Jersey  
November 29, 2010

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TOMS RIVER REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2010

Exhibit K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount
<b>U.S. Department of Education</b>			
<b>Passed-through State Department of Education</b>			
Special Revenue Fund			
No Child Left Behind Act Consolidated Formula Sub grant			
Title I, Part A Basic	84.010A	09/01/09-08/31/10	\$ 2,068,749
Title I, Part A Basic - Carryover	84.010A	09/01/08-08/31/09	1,807,724
Title I, Part A Basic - Carryover	84.010A	09/01/07-08/31/08	1,958,258
Title II, IKE Math / Science	84.318	09/01/09-08/31/10	21,289
Title II, IKE Math / Science - Carryover	84.318	09/01/08-08/31/09	12,053
Title II, IKE Math / Science - Carryover	84.318	09/01/07-08/31/08	13,036
Title II Class Size Reduction - Carryover	84.367	09/01/08-08/31/09	666,306
Title II, Class Size Reduction	84.367	09/01/09-08/31/10	686,565
Title III, Part A	84.365A	09/01/09-08/31/10	39,590
Title III, Part A Immigration	84.365A	09/01/09-08/31/10	29,612
Title III, Part A - Carryover	84.365A	09/01/08-08/31/09	30,145
Title III, Part A - Carryover	84.365A	09/01/07-08/31/08	22,539
Title IV, Safe and Drug Free Schools	84.186A	09/01/09-08/31/10	51,312
Title IV, Safe and Drug Free Schools - Carryover	84.186A	09/01/07-08/31/09	46,635
Title V, Part A - Carryover	84.298A	09/01/07-08/31/08	22,475
Rowan Social Norms - Carryover	84.000	09/01/06-08/31/07	3,500
James Madison Liberty Fellowship - Carryover	84.215X	07/01/06-06/30/09	952,307
I.D.E.A. Part B, Basic Regular	84.027	09/01/09-08/31/10	3,720,783
I.D.E.A. Part B, Basic Regular - Carryover	84.027	09/01/08-08/31/09	3,715,139
I.D.E.A. Preschool Handicapped	84.173	09/01/09-08/31/10	122,898
I.D.E.A. Preschool Handicapped - Carryover	84.173	09/01/08-08/31/09	122,777
ARRA Title I Part A	84.389A	09/01/09-08/31/10	1,732,176
ARRA IDEA	84.391	09/01/09-08/31/10	4,236,235
ARRA IDEA Preschool	84.392	09/01/09-08/31/10	153,011
Total Special Revenue			
<b>U.S. Department of Agriculture</b>			
Enterprise Fund			
Food Distribution Programs	10.550	07/01/09-06/30/10	73,898
Fresh Fruits and Vegetables	10.582	07/01/09-06/30/10	26,648
Fresh Fruits and Vegetables	10.582	07/01/08-06/30/09	11,532
National School Breakfast Program	10.553	07/01/09-06/30/10	85,674
National School Breakfast Program	10.553	07/01/08-06/30/09	68,259
National School Lunch Program	10.555	07/01/09-06/30/10	1,273,152
National School Lunch Program	10.555	07/01/08-06/30/09	1,140,903
ARRA Food Service Grant	10.579	07/01/09-06/30/10	5,995
Total Enterprise Fund			
Total Federal Financial Awards			

Balance at June 30, 2009	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) June 30, 2010	Deferred Revenue June 30, 2010	Due to Grantor at June 30, 2010
\$ -	\$ 1,907,016	\$ (2,008,201)	\$ -	\$ -	\$ (101,185)	\$ -	\$ -
(639,682)	811,253	(188,487)	-	-	(16,916)	-	-
1,163	-	-	-	(1,163)	-	-	-
-	20,036	(20,658)	-	-	(622)	-	-
(5,312)	9,475	(4,184)	-	-	(21)	-	-
574	-	-	-	(574)	-	-	-
(231,542)	231,542	(170)	-	-	(170)	-	-
-	483,445	(686,114)	-	-	(202,669)	-	-
-	37,120	(39,585)	-	-	(2,465)	-	-
-	-	(22,112)	-	-	(22,112)	-	-
(14,340)	29,954	(17,280)	-	-	(1,691)	-	25
96	-	-	-	(96)	-	-	-
-	36,669	(51,145)	-	-	(14,476)	-	-
(15,591)	21,023	(5,447)	-	-	(15)	-	-
3	-	-	-	(3)	-	-	-
58	-	-	-	(58)	-	-	-
(42,723)	110,601	(70,196)	-	-	(49,943)	47,625	-
-	3,228,979	(3,720,783)	-	-	(491,804)	-	-
(605,012)	605,012	-	-	-	-	-	-
-	41,085	(85,856)	-	-	(44,771)	-	-
(46,213)	46,213	-	-	-	-	-	-
-	806,924	(1,732,176)	-	-	(925,252)	-	-
-	2,638,639	(3,347,910)	-	-	(709,271)	-	-
-	66,904	(78,835)	-	-	(11,931)	-	-
<u>(1,598,521)</u>	<u>11,131,890</u>	<u>(12,079,139)</u>	<u>-</u>	<u>(1,894)</u>	<u>(2,595,314)</u>	<u>47,625</u>	<u>25</u>
-	73,898	(73,898)	-	-	-	-	-
-	20,779	(26,648)	-	-	(5,869)	-	-
(10,796)	10,796	-	-	-	-	-	-
-	77,259	(85,674)	-	-	(8,415)	-	-
(4,472)	4,472	-	-	-	-	-	-
-	1,159,979	(1,273,152)	-	-	(113,173)	-	-
(71,839)	71,839	-	-	-	-	-	-
-	5,995	(5,995)	-	-	-	-	-
<u>(87,107)</u>	<u>1,425,017</u>	<u>(1,465,367)</u>	<u>-</u>	<u>-</u>	<u>(127,457)</u>	<u>-</u>	<u>-</u>
<u>\$ (1,685,628)</u>	<u>\$ 12,556,907</u>	<u>\$ (13,544,506)</u>	<u>\$ -</u>	<u>\$ (1,894)</u>	<u>\$ (2,722,771)</u>	<u>\$ 47,625</u>	<u>\$ 25</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 For the Fiscal Year Ended June 30, 2010

Exhibit K-4

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) June 30, 2009	Deferred Revenue
<b>State Department of Education</b>					
General Fund					
Equalization Aid	10-495-034-5120-078	07/01/09-06/30/10	\$ 35,124,031	\$ -	\$ -
Equalization Aid - Prior Year	09-495-034-5120-078	07/01/08-06/30/09	39,131,493	(6,922,755)	-
ARRA - ESF	10-495-034-5120-078	07/01/09-06/30/10	7,495,656	-	-
ARRA - GSF	10-495-034-5120-078	07/01/09-06/30/10	290,168	-	-
Special Education Categorical Aid	10-495-034-5120-089	07/01/09-06/30/10	8,610,931	-	-
Security Aid	10-495-034-5120-084	07/01/09-06/30/10	1,586,757	-	-
Adjustment Aid	10-495-034-5120-085	07/01/09-06/30/10	12,699,974	-	-
Extraordinary Special Education Cost Aid	10-100-034-5120-473	07/01/09-06/30/10	393,950	-	-
Extraordinary Special Education Cost Aid - Prior Year	09-100-034-5120-473	07/01/08-06/30/09	226,349	(226,349)	-
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	07/01/09-06/30/10	6,780,138	-	-
SEMI - Special Aid	10-100-034-5120-473	07/01/09-06/30/10	122,829	-	-
Teachers Pension and Annuity Fund	10-495-034-5095-006	07/01/09-06/30/10	5,872,675	-	-
Transportation Aid	10-495-034-5120-014	07/01/09-06/30/10	4,659,327	-	-
Transportation Aid	09-495-034-5120-014	07/01/08-06/30/09	3,626,901	(50,731)	-
Total General Fund State Department of Education				<u>(7,199,835)</u>	<u>-</u>
<b>State Department of Human Services</b>					
General Fund					
State Homeless Aid	N/A	07/01/09-06/30/10	14,447	-	-
Total General Fund State Department of Human Services				<u>-</u>	<u>-</u>
Total General Fund				<u>(7,199,835)</u>	<u>-</u>
<b>State Department of Education</b>					
Special Revenue Fund					
N.J. Nonpublic Aid					
Textbook Aid	10-100-034-5120-064	07/01/09-06/30/10	132,999	-	-
Textbook Aid - Prior Year	09-100-034-5120-064	07/01/08-06/30/09	121,358	-	-
Nursing Aid	10-100-034-5120-070	07/01/09-06/30/10	157,720	-	-
Technology Initiative Aid - Prior Year	09-100-034-5120-373	07/01/08-06/30/09	84,880	-	-
Auxiliary Service					
Home Instruction	10-100-034-5120-067	07/01/09-06/30/10	16,121	-	-
Home Instruction - Prior Year	09-100-034-5120-067	07/01/08-06/30/09	14,227	(14,227)	-
Compensatory Education	10-100-034-5120-067	07/01/09-06/30/10	472,555	-	-
Compensatory Education - Prior Year	09-100-034-5120-067	07/01/08-06/30/09	379,520	-	-
English as a Second Language	10-100-034-5120-067	07/01/09-06/30/10	4,698	-	-
English as a Second Language - Prior Year	09-100-034-5120-067	07/01/08-06/30/09	10,150	-	-
Transportation	10-100-034-5120-067	07/01/09-06/30/10	18,197	-	-
Handicapped Service					
Examination and Classification	10-100-034-5120-066	07/01/09-06/30/10	176,622	-	-
Examination and Classification - Prior Year	09-100-034-5120-066	07/01/08-06/30/09	245,651	-	-
Corrective Speech	10-100-034-5120-066	07/01/09-06/30/10	80,972	-	-
Corrective Speech - Prior Year	09-100-034-5120-066	07/01/08-06/30/09	65,658	-	-
Supplementary Instruction	10-100-034-5120-066	07/01/09-06/30/10	132,924	-	-
Supplementary Instruction - Prior Year	09-100-034-5120-066	07/01/08-06/30/09	117,623	-	-
Total Special Revenue Fund				<u>(14,227)</u>	<u>-</u>
Debt Service Fund					
Debt Services Type II	10-495-034-5120-017	07/01/09-06/30/10	456,431	-	-
Total Debt Service				<u>-</u>	<u>-</u>
<b>State Department of Agriculture</b>					
Enterprise Fund					
State School Breakfast Program	10-100-010-3350-021	07/01/09-06/30/10	7,296	-	-
State School Breakfast Program	09-100-010-3350-021	07/01/08-06/30/09	5,724	(409)	-
State School Lunch Programs	10-100-010-3350-023	09/01/09-06/30/10	69,255	-	-
State School Lunch Programs	09-100-010-3350-023	07/01/08-06/30/09	59,382	(4,196)	-
Total Enterprise Fund				<u>(4,605)</u>	<u>-</u>
Total State Financial Assistance				<u>\$ (7,218,667)</u>	<u>\$ -</u>

Due to Grantor at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) June 30, 2010	Deferred Revenue	Due to Grantor at June 30, 2010
\$ -	\$ -	\$ 28,015,280	\$ (35,124,031)	\$ -	\$ -	\$ (7,108,751)	\$ -	\$ -
-	-	6,922,755	-	-	-	-	-	-
-	-	7,495,656	(7,495,656)	-	-	-	-	-
-	-	290,168	(290,168)	-	-	-	-	-
-	-	8,610,931	(8,610,931)	-	-	-	-	-
-	-	1,586,757	(1,586,757)	-	-	-	-	-
-	-	12,699,974	(12,699,974)	-	-	-	-	-
-	-	-	(393,950)	-	-	(393,950)	-	-
-	-	226,349	-	-	-	-	-	-
-	-	6,780,138	(6,780,138)	-	-	-	-	-
-	-	122,829	(122,829)	-	-	-	-	-
-	-	5,872,675	(5,872,675)	-	-	-	-	-
-	-	4,602,856	(4,659,327)	-	-	(56,471)	-	-
-	-	50,731	-	-	-	-	-	-
-	-	<u>83,277,099</u>	<u>(83,636,436)</u>	-	-	<u>(7,559,172)</u>	-	-
-	-	-	(14,447)	-	-	(14,447)	-	-
-	-	-	(14,447)	-	-	(14,447)	-	-
-	-	83,277,099	(83,650,883)	-	-	(7,573,619)	-	-
-	-	132,999	(132,112)	-	-	-	-	887
2,512	-	-	-	-	(2,512)	-	-	-
-	-	157,720	(157,720)	-	-	-	-	-
965	-	-	-	-	(911)	-	-	54
-	-	-	(16,121)	-	-	(16,121)	-	-
-	-	14,227	-	-	-	-	-	-
-	-	472,555	(469,869)	-	-	-	-	2,686
510	-	-	-	-	(510)	-	-	-
-	-	4,698	(4,404)	-	-	-	-	294
4,872	-	-	-	-	(4,872)	-	-	-
-	-	18,197	(18,197)	-	-	-	-	-
-	-	176,622	(171,493)	-	-	-	-	5,129
5,887	-	-	-	-	(5,887)	-	-	-
-	-	80,972	(80,255)	-	-	-	-	717
744	-	-	-	-	(744)	-	-	-
-	-	132,924	(132,282)	-	-	-	-	642
1,322	-	-	-	-	(1,322)	-	-	-
<u>16,812</u>	-	<u>1,190,914</u>	<u>(1,182,453)</u>	-	<u>(16,758)</u>	<u>(16,121)</u>	-	<u>10,409</u>
-	-	456,431	(456,431)	-	-	-	-	-
-	-	456,431	(456,431)	-	-	-	-	-
-	-	6,608	(7,296)	-	-	(688)	-	-
-	-	409	-	-	-	-	-	-
-	-	63,132	(69,255)	-	-	(6,123)	-	-
-	-	4,196	-	-	-	-	-	-
-	-	<u>74,345</u>	<u>(76,551)</u>	-	-	<u>(6,811)</u>	-	-
<u>\$ 16,812</u>	<u>\$ -</u>	<u>\$ 84,998,789</u>	<u>\$ (85,366,318)</u>	<u>\$ -</u>	<u>\$ (16,758)</u>	<u>\$ (7,596,551)</u>	<u>\$ -</u>	<u>\$ 10,409</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
June 30, 2010

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Toms River Regional Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and financial awards and state financial assistance passed through other government agencies are included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes last state aid payment in the current budget year, consistent with N.J.S.A 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$185,996 for the general fund and \$452,946 for the special revenue fund. See Note 1, *Note to Required Supplementary Information*, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

TOMS RIVER REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
June 30, 2010

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	Federal	State	Total
General Fund	\$ -	\$ 83,680,703	\$ 83,680,703
Special Revenue Fund	11,626,193	1,182,453	12,808,646
Enterprise Fund	1,465,367	76,551	1,541,918
Debt Service Fund	-	456,431	456,431
Total Financial Assistance	<u>\$ 13,091,560</u>	<u>\$ 85,396,138</u>	<u>\$ 98,487,698</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

The District has no federal or state loans outstanding at June 30, 2010.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the fiscal year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2010.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Fiscal Year Ended June 30, 2010

I. Summary of Auditors' Results

Financial Statement Section

- |   |             |
|---|-------------|
| 1. Type of auditors' report issued:   | UNQUALIFIED |
| 2. Internal control over financial reporting  |             |
| a. Material Weakness(es) identified?  | NO          |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | NO          |
| 3. Noncompliance material to the financial statements?                                    | NO          |

Federal Awards Section

- |   |             |
|---|-------------|
| 1. Dollar threshold used to determine Type A Programs:  | \$406,335   |
| 2. Dollar threshold used to determine Type B Programs:  | \$100,000   |
| 3. Auditee qualified as low-risk Auditee?   | YES         |
| 4. Type of auditors' report on compliance for major programs:   | UNQUALIFIED |
| 5. Internal Control over compliance:  |             |
| a. Material weakness(es) identified?  | NO          |
| b. Significant deficiencies identified that are not considered to be material weaknesses?                                 | NO          |
| c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? | YES         |

6. Identification of major programs:

C.F.D.A. Numbers	Name of Federal Program or Cluster
84.010A & 84.389A	Title I Cluster
84.027, 84.173, 84.391 & 84.392	IDEA Cluster
10.579	ARRA Food Service Grant

TOMS RIVER REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Fiscal Year Ended June 30, 2010

I. Summary of Auditors' Results (Continued)

State Awards Section

- 1. Dollar threshold used to determine Type A Programs: \$2,560,990
- 2. Dollar threshold used to determine Type B Programs: \$256,099
- 2. Auditee qualified as low-risk Auditee? YES
- 3. Type of auditors' report on compliance for major programs: UNQUALIFIED
- 4. Internal Control over compliance:
  - a. Material weakness(es) identified? NO
  - b. Significant deficiencies identified that are not considered to be material weaknesses? NO
  - c. Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? YES

5. Identification of major programs:

GMIS Number	Name of State Program
09-495-034-5120-078; 083 089; 084; 085; 077; 032; 068	State Aid Cluster
495-034-5120-014	Transportation Aid

II. Schedule of Financial Statement Findings

2010 - 01 Workers Compensation Insurance Contracts

Condition: The Board of Education did not document its understanding of services and charges related to performance of such services.

Criteria: Insurance coverages and premiums mandated to be carried may have been incorrectly over-charged.

Cause: The Board of Education did not obtain a written contract that delineated responsibility of services provided and the cost of such services.

Effect: Federal and State Grant Programs may have been allocated for insurance expense at the incorrect amounts.

TOMS RIVER REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010

2010 - 01 Workers Compensation Insurance Contracts (continued):

Context: The district was billed \$1,215,000 for Workers Compensation Insurance coverages for the school year 2009 / 2010.

Recommendation: The district should insure that a written contract is obtained. The contract should identify the services to be provided, the criteria used for claims, and charges associated with coverage.

Views of Responsible Officials and Planned Corrective Actions:

III. Schedule of Federal and State Award Findings and Questioned Costs

NONE

TOMS RIVER REGIONAL SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2010

There were no prior year audit findings related to the general-purpose financial statements and federal and state awards that are required to be reported on in accordance with Chapter 6.12 of *Governmental Auditing Standards*, U.S. OMB Circular A-133 and N.J. OMB Circular 04-04.