



Toms River Regional School District

Toms River Board of Education
Toms River, New Jersey 08753

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

School District of

Toms River

**Toms River Regional School District
Toms River, New Jersey**

Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Prepared by

Toms River Regional School District
Business Administrator's Office

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Introductory Section

The logo for Toms River Regional Schools is a circular emblem with a compass rose design. The outer ring contains the text "TOMS RIVER REGIONAL SCHOOLS" at the top and "BUILDING ON TRADITION - CHARTING NEW DIRECTIONS" at the bottom. The inner circle features a building illustration and the text "EST. 1854".

TOMS RIVER REGIONAL SCHOOLS

1144 Hooper Avenue, Toms River, NJ 08753
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December 15, 2015

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

Dear Board Members and constituents:

The comprehensive annual financial report of the Toms River Regional School District for the year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, a roster of officials, independent auditors and advisors. The financial section includes Management's Discussion and Analysis, basic financial statements, required supplementary information and supplementary information, as well as the auditors' report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations," and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the independent auditors' reports on internal control and compliance with applicable laws and regulations and findings and questioned costs, is included in the single audit section of this report.



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1. REPORTING ENTITY AND ITS SERVICES

The Toms River School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and the government-wide financial statements of the District are included in this report. The Toms River Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education for children with special needs. The District's average daily enrollment for 2014-2015 school year decreased by 350.3 students over the previous year's enrollment. The following details the changes in the student enrollment of the District for the past five year. These figures are based upon average daily enrollment.

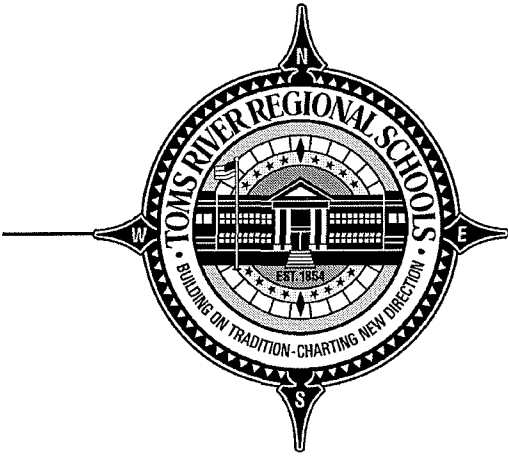
Average Daily Enrollment

Fiscal Year	Student Enrollment	# Students (+/-)	Percent Change
2010-11	16,975.6	-114.5	0.0067%-
2011-12	16,787.4	-188.2	0.0111%-
2012-13	16,556.4	-231.0	0.0138%-
2013-14	16,134.1	-422.3	0.0255%-
2014-15 (as submitted)	15,783.8	-350.3	0.0217%-

2. ECONOMIC CONDITION AND OUTLOOK

Local, state, and federal economic conditions continue to create a relatively unstable and uncertain economic environment, for all entities, including the school district. In October 2012, the community was devastated by Superstorm Sandy which caused significant damage throughout our regional community. Toms River Township lost 15%-20% of the ratable base due to the storm and although a recovery is under way, all of what was lost has not been recouped in terms of ratables. It is expected that the aftereffects of Superstorm Sandy will put a strain on tax revenues and services for years to come. Other items of concern include investment rates which are still hovering at very low levels. Additionally, the State of New Jersey has again delayed payment of the final two State Aid payments for the year, totaling \$6,699,667 as of June 30, 2015.

The 2015-2016 School Budget was approved by the Board of Education in June 2015 and the budget as presented provides for a thorough and efficient education. The increase in the overall tax levy (general and debt service levy) with the 2015-16 budget was 3.8% or \$5.2 million, although the tax increases for the average home in the four towns in the regional district ranged from \$2.98 to \$4.00 cents. This mitigated tax



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impact is due to the recovery already made with Toms River Township's ratable base coupled with CDBG Grant funding. Of concern is that \$7.4 million of revenue in 2015-16 revenue came from a Federal CDBG Grant award. Save for a continued rapid recovery of ratables in Toms River Township, when such one-time awards may no longer be available, and this may put a strain on the taxpayers in the regional community. Also, given the Department of Education's allocation of taxes between the constituent municipalities in the regional district being based on equalized valuations, substantial changes in the ratable base for the largest ratable base (Toms River Township) can have a significant impact on the tax allocation for all communities in the regional district.

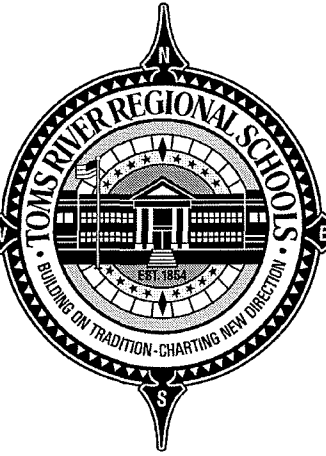
The District continues to be concerned about the status of the economy and the fiscal health of the State of New Jersey. Although the District will continue to strive to find fiscal efficiencies in all aspects of our operation, we remain concerned about our allowable level of surplus, the impact of the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

3. MAJOR INITIATIVES

AchieveNJ – We continued to implement and refine the requirements of AchieveNJ. All staff were provided additional in-service on the development of Student Growth Objectives as well as all domains and components of the Charlotte Danielson Teacher Evaluation Model. Training was also provided to all staff members for the web based professional development provider and data collection tool, Teachscape. The new evaluation for all staff members was implemented for the 2013-2014 school year. With the adoption of the new state assessment, PARCC, professional development was provided to help prepare our students and teachers for this new exam.

Secondary Grading Committees - Grading committees were established at both the intermediate and high school level to explore best grading practices at NJ schools and examine our own policies. The committees are made up of teachers, administrators, and parents. Final recommendations were suggested and presented to the Board of Education for final approval and will be implemented in the 2015-2016 school year.

Technology Committees – Technology committees were established at all 3 grade levels. Teachers and administrators visited school that had established successful technology programs in their classrooms. After the completion of the visits, recommendations and suggestions were made for possible implementation into our classrooms.



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Elementary School:

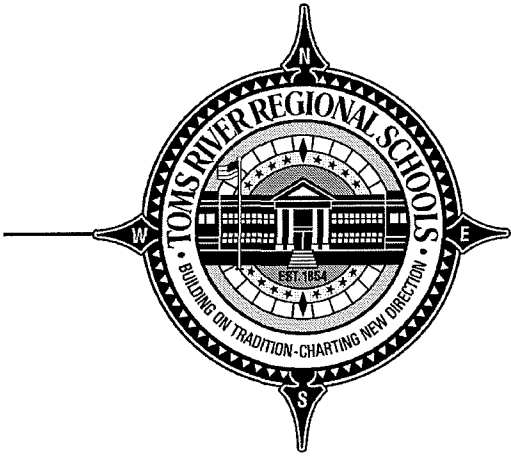
Full-day Kindergarten: Teams of kindergarten teachers, building principals, supervisors and district level administrators worked collaboratively to plan for the implementation of a full day kindergarten program. The planning included the selection and purchase of furniture and various instructional resources in an effort to establish consistency in classroom set up across the district and to effectively support center-based instruction. All teachers were provided with professional development and opportunities to articulate regarding the Kindergarten Guidelines, strategies to create and manage the ideal classroom environment for a center-based model, and the assessment pilot that would be implemented during the 2015-16 school year, Teaching Strategies Gold.

Language Arts: Numerous committee of teachers, supervisors, and administrators continued working on curricular units that offer both interdisciplinary teaching options and various resources to support a gradual release model for English Language Arts. Professional development was provided to all teachers for launching the readers workshop, planning for a mini lesson approach and unpacking ELA standards. Teachers of grades two and four also experienced model classroom lessons to assist in implementation of the mini lesson, effective lesson planning and workshop management.

ELA benchmarks were also piloted for grades K-5 and teachers continued to administer writing benchmarks as well.

Math: Since the newly updated *Everyday Math* program that would be released for the 2015-16 school year would entail an increase in rigor and a change to the instructional scope and sequence, the math committee conducted a gap analysis to provide suggestions for resources to fill gaps at each grade level during the 2014-15 school year. The math benchmarks were revised and administered three times and then scored by the teachers. Data collected was used to refine instructional strategies.

Science: A science committee was formed to begin planning for curriculum alignment to the Next Generation Science Standards (NGSS). The committee participated in various professional development opportunities throughout the state to become familiarized with the implications of the new standards. The group worked to highlight current district resources that support the new topics at each grade level as well as to identify engineering activities that could be integrated into instruction for science and/or mathematics.



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Basic Skills: The basic skills model was restructured to accommodate providing Tier 2 interventions for mathematics and language arts during the school day. The goal was to offer students support and assistance in a model that offered instructional support to complement classroom instruction.

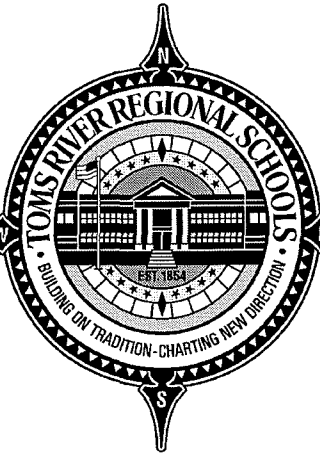
Intermediate School:

Math – As a result of the implementation of the Common Core State Standards, grades 6, 7, and 8 adopted a new math series, *Big Ideas*. Professional development was provided during the summer as well throughout the school year to provide support for this new program. This series has shown to provide support for a comprehensive curriculum as well as strategies for differentiating instruction and extensive online resources. With the adoption of the new state assessment, PARCC, professional development was provided to best prepare students and teachers for this new exam.

Social Studies – In order to remain current, the grade 6-8 social studies teachers adopted a new text for the 2014-2015 school year. The text chosen in each grade level is rich in content and differentiation of instruction as well as providing web based support. The texts chosen were: 8th Grade – (Pearson) *America, History of Our Nation - Beginnings through 1877*; 7th Grade - (McGraw Hill) (Customized/Hybrid Text) *Discovering Our Past - A History of the World, Early Ages and Discovering Our Past - A History of the United States, Early Years*; 6th Grade – (McGraw Hill) *Discovering Our Past - A History of the World, Early Ages*.

Science – Many of our 6-8 science teachers are involved in the PISA² grant through Stephens Institute of Technology. PISA² is a five-year, \$11.5 million National Science Foundation Math Science Partnership grant program designed to increase student learning and motivation, teacher preparation, and administrator and district capacity to deliver high quality, standards-based and research-based STEM programs.

Language Arts – In order to remain current with the Common Core State Standards, grades 6, 7 and 8 adopted a new Language Arts series from Houghton Mifflin Harcourt. This new series better supports the curriculum and provides ideas for differentiation of instruction as well as extensive online resources. As a result of the new state assessment, PARCC, extensive professional development was provided to prepare the students and teachers for this new exam.



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Basic Skills 200 Club – Identified students are given additional time with their regular Language Arts and Math teacher during activity periods for enrichment and reinforcement. The goal is to offer these students support and assistance to meet proficiency and growth in Math and Language Arts.

Reading and Writing Across the Curriculum – In order to support the Language Arts program, Science and Social Studies courses were infused with reading in content areas open-ended questions and mandatory essays. Social Studies teachers implemented strategies to assist students in completing a research paper and also refine quote-based writing instruction in their classroom.

High School:

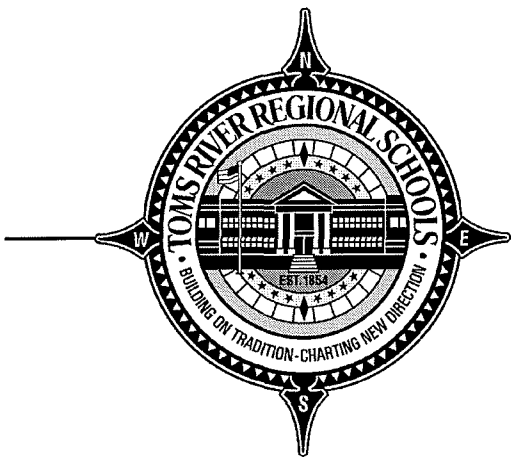
English: In order to remain current and support the changes resulting from the adoption of the Common Core State Standards we adopted the Holt McDougal Literature text for Grade 10. This new series will help provide support for the new standards as well as support for differentiated instruction. As a result of the next state assessment, PARCC, extensive professional development was provided to best prepare our students and teachers for the new exam.

English3/English4 block program: Recognizing the necessity to allow a small percentage of high school seniors a chance to “recover credit” toward graduating in the four year state-mandated English requirements, we continued the course that uses two scheduling periods (block) concentrating on English 3 for the first half of the year and English 4 for the second half of the year. This allows for students to experience success and graduate in the appropriate graduation cohort.

Mathematics: As a result of the implementation of the Common Cores State Standards the high school math teachers participated in a pilot program of 2 new math series. Review of the pilot will continue in the 2015-2016 school year for purchase in 2016-2017. Infrastructure improvements as well as professional development to prepare for the PARCC exam were also a focus for the year.

Social Studies: The social studies department reviewed and revised their curriculum to align with the New Jersey Core Curriculum Content Standards as well as the Common Core State Standards. The quarterly exams were also reviewed to insure they are aligned to the curriculum.

Personal Finance – Option II – Upper class students can complete the state-mandated graduating half-year course requirement in Financial Literacy by completing an on-line course that is overseen by district faculty. A district review packet and exam was developed in order to insure the students are meeting or exceeding the



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New Jersey Core Curriculum Content Standards. This program allows students the opportunity to schedule additional rigorous courses in that available scheduling period.

Science – With state adoption of the New Generation Science Standards, the curriculum in all content areas was reviewed and are in the process to aligning with the new requirements. We partnered with Rider University to help support the changes and provide guidance as we move forward with the new standards. Due to changes in the Advanced Placement exams, new AP Biology, Chemistry, and Physics textbooks were purchased and professional development was provided to support the new series.

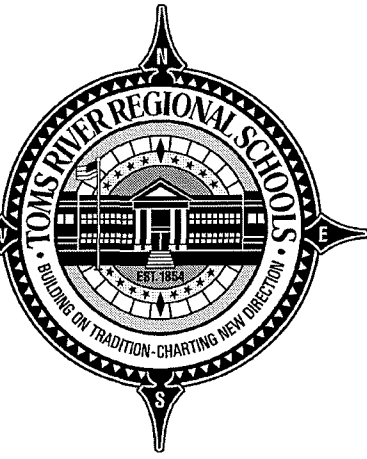
World Language – In order to remain current and provide a program that has a strong technology component, a new Spanish II series was piloted. Professional development was provided by the text company and the purchase was made for the 2015-16 school year.

Career Tech – Last year saw the full implementation of the AutoCAD software for technical/mechanical/industrial design as well as the Adobe software including Illustrator, Photoshop and support programs. 3D printers were also purchased for the department to help support their programs.

Advanced Placement Summer Institute – All Advanced Placement teachers were provided with the opportunity to attend the AP Summer Institute in Philadelphia, Pennsylvania. The institute provided subject-specific professional development opportunities, as well as the support and training needed to teach AP courses and to utilize AP teaching strategies. These strategies were then turn-keyed to district staff in each content area.

Partnership with Ocean County College ('OCC') - A number of programs has been designed to support our partnership with OCC. The Write Connections pairs high school and collegiate level writers in peer review and editing of student composition. The Bridges Program offers the Accuplacer to juniors with remediation possibilities for senior year in preparation of entry to OCC. The Jump Start Program provides our juniors and seniors the opportunity to begin taking college level courses while still attending high school. The College Readiness Now Program provided support to economically disadvantaged students in preparation for the Accuplacer as well as providing a free college course during the summer.

HSPA Preparation Lab/Tutorial – Identified students are given additional time with staff for Mathematics enrichment for reinforcement of skills during an activity period within the school day. The goal is to offer these student support and assistance to meet proficiency and growth.



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HSPA Preparation English 2190 – We continued to identify students and place them in an English class that enriches both the English III curriculum and HSPA preparation. The goal is to offer these students support and assistance to meet proficiency and growth.

Special Education:

It is important to note that all major initiatives undertaken at all levels were inclusive of special education programs and staff.

Literacy programs – The district has expanded professional development for special education staff at the elementary, intermediate and high school levels in the Soliday Systems (Orton-Gillingham). The Soliday Systems is a multisensory approach of intervention in phonemic awareness. Special education teachers are provided with additional intervention strategies to assist struggling readers. The district is also supporting further professional development of intermediate and high school teachers in the READ 180 Program and other multisensory programs associated with READ 180, Systems 44. Nine intermediate and one high school labs were outfitted with independent reading libraries, appropriate text and computers/ Chrome books essential to the implementation of this program.

“Handle with Care” training – The district has continued intensive training in the “Handle with Care” de-escalation and restraint model for staff. Strategies are provided to staff to support learners who struggle with maintaining appropriate behavioral focus in the classroom.

Preschool program- The district has supported the preschool teams of teachers, administrators, support staff and CST members, to participate in the GROW NJ KIDS Grant. GROW NJ KIDS is a system designed to create universal standards of quality for all early care education programs throughout New Jersey. At the same time, by enrolling into GROW NJ KIDS, it provides the district with a way to showcase our program’s commitment to quality to parents. Based on a rating system, GROW NJ KIDS provides the framework for programs to continue to meet high quality standards. Resources that are available to the district include; shared best practices, free professional training programs, free technical assistance, educational scholarships, and program incentives. We have offered a number of professional development opportunities to our staff and the families of our students. We have worked as a team to offer more inclusive preschool settings to our families.

IEP program- All special education staff has been trained in our new IEP Program. The program will be a resource to all staff in the insurance of compliance and the creation of individualized program plans for our



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students. The trainings have focused on student growth and the development of goals, ultimately the focus is on student achievement.

High School programs – Personal Finance is currently being offered at all 3 high schools. The teachers are providing modified curriculum of Personal Finance or Financial Literacy course, within a pull-out replacement program course. Consumer Math is currently being offered at all 3 high schools. This course is a special education math elective to reinforce fundamental math skills for students who continue to struggle with basic math concepts, money management, and life skills math usage. At High School East the district has extended the in class programing in general education History and Science courses.

School to work program at High School North, within the Fundamental skills programs, now has students assigned to off-site work locations (e.g., Marshall's, People's Pantry, Café @ 1144). We are continuing to develop our structured learning experiences for all special education students.

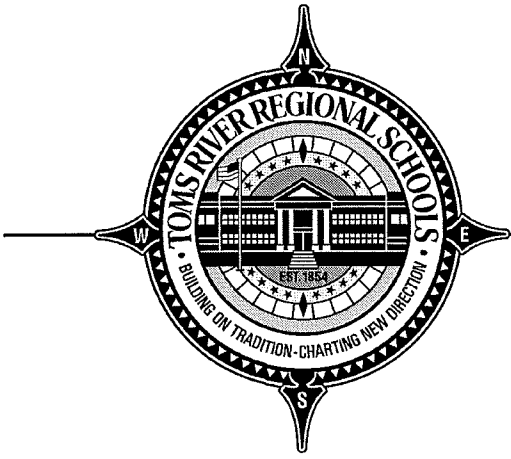
Community Based Instruction – All of our self-contained programs have increased their community based instruction to include offers of cooking, shopping, self-care, and life skills curriculum for all students in the program. High School students have been assigned to on-site work locations to process breakfast packages for TRRS and students.

4. INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal 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 awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.



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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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported assigned fund balance at June 30, 2015.

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 government-wide financial statements. These funds and the government-wide financial statements are explained in "Notes to the Financial Statement," Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END

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

8) OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 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.

9) 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



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report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

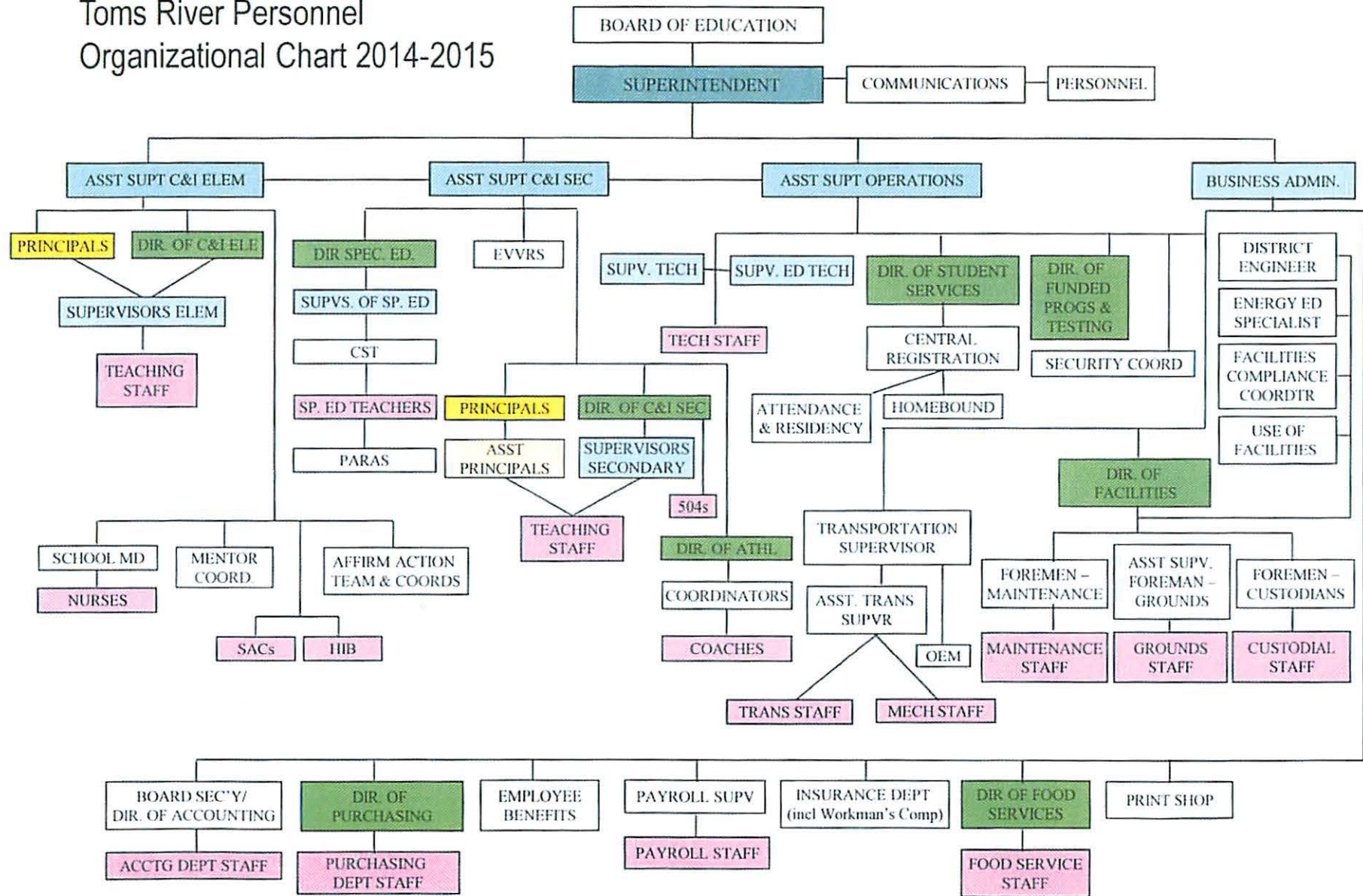
Respectfully submitted,

David Healy
Superintendent

William Doering
Business Administrator

Wendy L. Saxton
Board Secretary

Toms River Personnel Organizational Chart 2014-2015



Toms River Regional School District
Toms River, New Jersey

Roster of Officials

June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Torrone, President	2015
Gidaly (Gigi) Esparza, Vice President	2015
Ben Giovine	2017
Gloria McCormack	2016
Robert Onofrietti, Jr.	2017
Walt Ramsay	2016
Ginny Rhine	2015
James Sigurdson	2016
Loreen Torrone	2017

Other Officials

David Healy, Superintendent
James Hauenstein, Assistant Superintendent
Debra McKenna, Assistant Superintendent
Marc Natanagara, Assistant Superintendent
William Doering, Business Administrator
Wendy Saxton, Board Secretary
Matthew Varley, Treasurer

Toms River Regional School District
Toms River, New Jersey

Independent Auditors, Consultants and Advisors

Independent Auditors

Wiss & Company, LLP
485C Route One South
Iselin, New Jersey 08830

Attorney

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

Official Depositories

State of New Jersey Cash Management Fund
PO Box 182218
Columbus, Ohio 43218

TD Bank

1101 Hooper Avenue, CN 2050
Toms River, New Jersey 08754

Wells Fargo

40 Main Street
Toms River, New Jersey 08753

Shore Community Bank

1012 Route 37 East
Toms River, New Jersey 08753

PNC Bank

1329 Hooper Avenue
Toms River, New Jersey 08753

Ocean First Bank

975 Hooper Avenue
Toms River, New Jersey 08753

Association of School Business Officials International

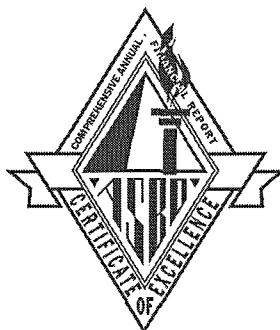


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Toms River Regional Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Toms River Regional School District, County of Ocean, New Jersey (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used

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and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter-Change in Accounting Principle

As discussed in Note 1R to the financial statements, during the fiscal year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, which represents a change in accounting principle. As discussed in Note 21 to the financial statements, as of July 1, 2014, the District's net position was restated to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of funding progress-post employment healthcare benefit plan, schedule of employer contributions-post employment healthcare benefit plan, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

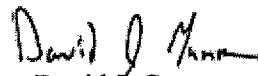
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* in considering the District's internal control over financial reporting and compliance.



David J. Gannon

Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 15, 2015
Iselin, New Jersey

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

Toms River Regional School District
Toms River, New Jersey

Management's Discussion and Analysis
Year ended June 30, 2015
(Unaudited)

The discussion and analysis of the Toms River Regional School District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements, notes and additional information in the transmittal letter to enhance their understanding of the District's financial performance.

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

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- The District received \$411,148 in a Community Disaster Loan ("CDL) and \$9,000,000 in a Community Development Block Grant due to the loss of ratables, which allowed the District to maintain essential services.
- Total net position of the governmental activities and business-type activities are \$22,088,834 at June 30, 2015. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflow of resources and current and outstanding long-term liabilities (Schedule A-1).
- The District transferred unrestricted fund balance in June of 2015 into a restricted reserves for maintenance and capital in the amount of \$4,000,000 (\$2,000,000 for each reserve).
- The District received \$589,976 in the 2015 fiscal year relating to restitution from a prior year court order.

Using this Comprehensive Annual Financial Report (CAFR)

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

Reporting the School District as a Whole

Government-wide Statements

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

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

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

- Governmental activities - All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type activities - Programs reported here are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods and services be financed through user charges.

The government-wide financial statements can be found on pages 31 and 32 of this report.

Reporting the District's Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 33 through 35 of this report.

Proprietary Funds

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

The basic enterprise funds financial statements can be found on pages 36 through 38 of this report.

Fiduciary Funds

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

The District uses separate and distinct agency funds to account for resources held for student activity groups and class funds as well as for payroll-related liabilities. The basic fiduciary fund financial statements can be found on pages 39 and 40 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41 to 90 of this report.

The School District as a Whole

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

The District's financial position is the product of varied financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the District's net position at June 30, 2015 and June 30, 2014.

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

	2015			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 17,921,352	\$2,029,482	\$ 19,950,834	\$ 11,820,462	\$2,657,053	\$ 14,477,515
Capital assets, net	165,221,469	9,333,216	174,554,685	170,769,380	9,451,339	180,220,719
Total assets	183,142,821	11,362,698	194,505,519	182,589,842	12,108,392	194,698,234
Deferred outflow of resources:						
Deferred loss on defeasance of debt	3,407,363		3,407,363	3,731,370		3,731,370
Pension deferrals	8,376,609		8,376,609			
Total deferred outflows of resources	11,783,972		11,783,972	3,731,370		3,731,370
Liabilities:						
Current liabilities	24,493,475	241,966	24,735,441	18,534,540	209,302	18,743,842
Net pension liability	78,094,385		78,094,385			
Long-term liabilities outstanding	76,603,942	112,888	76,716,830	79,973,970	127,646	80,101,616
Total liabilities	179,191,802	354,854	179,546,656	98,508,510	336,948	98,845,458
Deferred inflow of resources:						
Pension deferrals	4,654,001		4,654,001			
Net position:						
Net investment in capital assets	105,202,765	9,333,216	114,535,981	107,466,300	9,451,339	116,917,639
Restricted	12,842,765		12,842,765	9,390,291		9,390,291
Unrestricted (deficit)	(106,964,540)	1,674,628	(105,289,912)	(29,043,889)	2,320,105	(26,723,784)
Total net position	\$ 11,080,990	\$ 11,007,844	\$ 22,088,834	\$ 87,812,702	\$ 11,771,444	\$ 99,584,146

Unrestricted deficit decreased \$77,920,651 as compared to the prior year, mainly as a result of the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, which resulted in a restatement of beginning net position of \$76,825,980.

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

Restricted net position increased mainly due to net increases to capital and maintenance reserves in the amounts of \$425,000 and \$2,000,000, respectively.

Current and other assets increased mainly due to an increase in overall receivables, due to the timing of when the District received Federal grant reimbursements. In addition, cash increased as a result of \$1,748,764 of unspent capital lease proceeds at the end of the fiscal year.

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

Current liabilities increased mainly due to a \$1.7M liability for capital leases entered into during the 2014-2015 fiscal year.

Long-term liabilities decreased mainly due to the paying down of existing bonds and notes payable, as well as a decrease in the compensated absences liability, as there was an increase in the amount of retirees paid out during the fiscal year.

The net pension liability recorded as of June 30, 2015 is the result of the current year implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

Toms River Regional School District
Changes in Net Position
Year ended

	2015			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,109,587	\$ 4,950,342	\$ 6,059,929	\$ 1,375,757	\$ 5,277,759	\$ 6,653,516
Operating grants and contributions	6,997,929	2,022,935	9,020,864	6,909,414	1,986,596	8,896,010
Capital grants and contributions	10,324		10,324	33,279		33,279
General revenues:						
Property taxes	138,348,992		138,348,992	124,749,384		124,749,384
Federal and state aid not restricted to specific purposes	118,915,604	73,900	118,989,504	98,565,195		98,565,195
Earnings on investments	2,341	626	2,967	1,268	1,075	2,343
Miscellaneous	852,447	82,646	935,093	665,152		665,152
Total revenues	266,237,224	7,130,449	273,367,673	232,299,449	7,265,430	239,564,879
Expenses:						
Instruction and support services						
	264,403,608	7,781,767	272,185,375	237,707,568	7,368,815	245,076,383
Special schools	46,699		46,699	43,518		43,518
Interest on long-term debt	2,394,907		2,394,907	2,672,509		2,672,509
Total expenses	266,845,214	7,781,767	274,626,981	240,423,595	7,368,815	247,792,410
Change in net position before transfers and extraordinary item	(607,990)	(651,318)	(1,259,308)	(8,124,146)	(103,385)	(8,227,531)
Transfers	112,282	(112,282)		152,280	(152,280)	
Extraordinary item	589,976		589,976	2,280,374		2,280,374
Change in net position	94,268	(763,600)	(669,332)	(5,691,492)	(255,665)	(5,947,157)
Net position – beginning	87,812,702	11,771,444	99,584,146	93,504,194	12,027,109	105,531,303
Restatement	(76,825,980)		(76,825,980)			
Net position – beginning (as restated)	10,986,722	11,771,444	22,758,166			
Net position – ending	\$ 11,080,990	\$ 11,007,844	\$ 22,088,834	\$ 87,812,702	\$ 11,771,444	\$ 99,584,146

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

Federal and State aid not restricted to specific purposes increased mainly due to an increase in the state source revenues, specifically from extraordinary aid, reimbursed TPAF pension contributions, and reimbursed post-retirement medical. Under the new GASB Statements, the District recorded the on-behalf pension revenue for contributions incurred by the State as calculated by an actuary, which resulted in an additional \$20,696,386 in state aid, recorded at the government-wide financial statements. In addition, there were two new state grants awarded to the District as part of General State Aid (PARCC Readiness and Per-Pupil Growth, amounting to \$155,830 each).

Instruction and support services expenses increased as a result of the District implementing new curriculums and as a result, there was an increase in various instruction line items, such as textbooks and salaries. However, the majority of the increase is the result of implementation of the new GASB Statements as mentioned above that resulted in the District recording additional on-behalf pension payments in the amount of \$20,696,386.

The extraordinary item is restitution the District received relating to a prior year court order.

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for District operations. Property taxes made up approximately 52 percent of revenues for governmental activities in the Toms River Regional School District for fiscal year 2015. Federal, state, and local grants and aid accounted for another 45 percent of revenue. The balance of revenues generated from tuition and transportation revenue, investment income and other miscellaneous unrestricted sources comprised approximately 3 percent of the total governmental revenues.

The total cost of all programs and services was \$266,845,214. Instruction comprised 61.8 percent of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. It is important to note that additional instructional costs are included with support services, which is in conformity with New Jersey Budget Guidelines.

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

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services, day care tuition, ticket sales, rental income, and federal and state reimbursements. Charges for services comprised approximately 70 percent of total revenue. This represents revenue recognized in the amount of \$2,435,298, or 49 percent, for amounts paid by patrons for daily food service. Day care tuition revenue was \$785,564, or 16 percent, of operating revenue and represents payments for daycare tuition. Rental income for the Corporate Center's rental agreements was \$1,036,502, or 21 percent, of operating revenue that was recognized from renting office suites at the property located at 1144 Hooper Avenue, Toms River, N.J. The Bennett Complex and Pinebelt Arena recognized \$379,110 and \$313,868, respectively, or 14 percent of total operating revenue for various events and activities at the respective complexes. Additionally, federal and state reimbursements for meals, including payments for free and reduced-priced lunch and breakfast and donated commodities amounted to \$2,022,935 in non-operating revenue.

Financial Analysis of the District's Funds

Governmental Funds

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

General Fund. The general fund is the main operating fund of the District. At the end of the current fiscal year, the total fund balance was \$14,758,842, including funds restricted for capital, maintenance and emergency reserves in the amount of \$11,376,620. \$1,062,691 is restricted for current year excess surplus and \$403,454 of prior year excess surplus has been designated for subsequent year's expenditures. The remaining amount of \$1,916,077 represents the balance designated for subsequent year's expenditures in the amount of \$902,052 (of which \$105,506 was for SEMI ARRA and \$796,546 was designated for subsequent years expenditures) and \$2,861,669 was designated for encumbrances offset by a general fund unassigned deficit of \$1,847,644 (unassigned fund balance netted with the delayed state aid payments) resulting in the \$1,014,025 balance assigned to other purposes.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The schedule on the following page presents a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Local sources	\$ 140,499,224	57.2%	\$ 13,226,198	10.4%
State sources	89,419,458	36.4	3,088,661	3.6
Federal sources	15,622,156	6.4	(3,371,891)	(17.8)
Total	\$ 245,540,838	100.0%	\$ 12,942,968	5.6%

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

State sources increased due mainly to the increase in the on-behalf pension payments that are made by the State in fiscal year 2015.

Federal sources decreased primarily due to the receipt of the federally funded Community Development Block Grant fund in the amount of \$12,500,000 in the prior year and \$9,000,000 in the current year (round 2). These funds were used to offset the reduction of the local school tax levy in order to maintain essential services.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 93,795,042	38.4%	\$ 1,861,191	2.0 %
Undistributed expenditures	140,050,740	57.4	3,243,230	2.4
Special schools	26,635	0.0	(903)	(3.3)
Capital outlay	3,664,360	1.5	(178,568)	(4.7)
Debt service:				
Principal	4,307,834	1.8	(60,915)	(1.4)
Interest	2,211,714	0.9	42,494	2.0
Total	\$244,056,325	100.0%	\$ 4,906,529	2.1%

Current expenditures reflect an overall increase attributable to normal operational increases in the areas of salaries, health benefits, textbooks and supplies, as the District engaged in various curriculum changes and improvements during the year.

Capital outlay expenditures decreased mainly due to the undertaking of several boiler projects that occurred in the prior year, which were not undertaken in the current year under audit.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey statutes. The most significant budgeted fund is the General Fund.

The largest variance in excess of the budget from the revenue perspective related to tuition revenue in the amount of \$301,612 (of which \$191,485 was from tuition from other LEAs within the State and \$110,127 was from tuition from other sources). The increase was driven by tuition increases and the number of students attending from other communities.

Fiscal discipline freed up funds in some budget areas, allowing selected budgetary transfers to be made between budgetary line items as approved by the Board of Education. None of these transfers were significant. During the year the District appropriated \$1,575,000 from its capital reserve fund to provide for capital improvements during the fiscal year.

Capital Assets

At the end of the fiscal year 2015, the School District had \$174,554,685 invested in land, land improvements, building and building improvements and machinery and equipment, net of accumulated depreciation. The following presents a comparison of capital assets, net of depreciation, held at June 30, 2015 and 2014:

	Governmental Activities	
	2015	2014
Land	\$ 6,790,523	\$ 6,790,523
Land improvements	6,856,107	7,842,082
Building and building improvements	157,099,841	161,817,538
Machinery, equipment and vehicles	3,808,214	3,770,576
Total	<u>\$174,554,685</u>	<u>\$180,220,719</u>

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

Debt Administration and Long-Term Liabilities

At June 30, 2015, the District had \$83,522,870 of outstanding debt and other long-term liabilities, of which \$6,806,040 was classified as the current portion.

At June 30, 2015 and 2014, the District's long-term liabilities consisted of:

	June 30	
	2015	2014
Bonds payable	\$57,705,000	\$61,830,000
Premium on bonds	1,832,403	1,971,407
Notes payable	1,462,672	1,645,506
Deferred pension obligation	960,454	1,012,367
Community disaster loan	5,000,000	4,588,852
Capital leases payable	4,174,756	1,587,537
Compensated absences payable	12,387,585	13,042,220
Total long-term liabilities	<u>\$83,522,870</u>	<u>\$85,550,243</u>

For more detailed information, please refer to Note 5 to the basic financial statements.

For the Future

The fiscal outlook in the near term is a concern for most school districts. The school is subject to the tax cap limitation of 2 percent. This limit to raise additional revenue is combined with the District issue to recognize tax revenue from the lost ratables that occurred as a direct result of Super Storm Sandy. The District received \$9,000,000 in a Community Development Block Grant (CDBG) and a community disaster loan in the amount of \$411,148 that aided in recovering lost revenues during fiscal year ended June 30, 2015. To continue essential government functions, the District created cost saving measures such as implementing several energy conservation plans and has developed certain budget constraints, such as reducing travel and other non-essential costs. The Toms River Regional School District will continue to employ prudent and responsible fiscal practices to maintain its sound financial condition.

The School District is proud of its community support and is mindful of retaining a positive image within the local and statewide communities. With this reputation, the School District will look to partner with surrounding districts at various levels to achieve economies that may be needed for future stability and growth.

Contacting the District's Financial Management

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2015.

Toms River Regional School District

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 157,002	\$ 1,716,749	\$ 1,873,751
Accounts receivable	5,460,517	448,594	5,909,111
Internal balances	297,674	(297,674)	-
Inventories		81,493	81,493
Investments	87,613		87,613
Advance deposit	344,760		344,760
Other assets	197,166	80,320	277,486
Restricted assets:			
Cash and cash equivalents	10,141,826		10,141,826
Accounts receivable	1,234,794		1,234,794
Capital assets, non-depreciable	5,368,923		5,368,923
Capital assets, depreciable, net	159,852,546	9,333,216	169,185,762
Total assets	<u>183,142,821</u>	<u>11,362,698</u>	<u>194,505,519</u>
Deferred outflow of resources			
Deferred loss on defeasance of debt	3,407,363		3,407,363
Pension deferrals	8,376,609		8,376,609
Total deferred outflows of resources	<u>11,783,972</u>		<u>11,783,972</u>
Liabilities			
Accounts payable	3,953,255	36,287	3,989,542
Intergovernmental accounts payable:			
State	105,191		105,191
Accrued interest payable	1,084,120		1,084,120
Accrued liability for claims	12,065,778		12,065,778
Accrued salaries and wages	274,068	19,590	293,658
Unearned revenue	205,023	112,789	317,812
Net pension liability	78,094,385		78,094,385
Other liabilities		73,300	73,300
Current portion of long-term obligations	6,806,040		6,806,040
Noncurrent portion of long-term obligations	76,603,942	112,888	76,716,830
Total liabilities	<u>179,191,802</u>	<u>354,854</u>	<u>179,546,656</u>
Deferred Inflows Of Resources			
Pension deferrals	<u>4,654,001</u>		<u>4,654,001</u>
Net Position			
Net investment in capital assets	105,202,765	9,333,216	114,535,981
Restricted for:			
Other purposes	12,842,765		12,842,765
Unrestricted (deficit)	(106,964,540)	1,674,628	(105,289,912)
Total net position	<u>\$ 11,080,990</u>	<u>\$ 11,007,844</u>	<u>\$ 22,088,834</u>

See accompanying notes to basic financial statements.

Toms River Regional School District

Statement of Activities

Year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction	\$ 164,925,531	\$ 1,031,474	\$ 5,573,265		\$ (158,320,792)		\$ (158,320,792)
Support services							
Attendance/social work	410,763				(410,763)		(410,763)
Health services	4,551,104				(4,551,104)		(4,551,104)
Other support services	18,863,406		1,424,664		(17,438,742)		(17,438,742)
Improvement of instruction	4,776,198				(4,776,198)		(4,776,198)
School library	2,926,447				(2,926,447)		(2,926,447)
Instructional staff training	157,489				(157,489)		(157,489)
General administration	3,925,198				(3,925,198)		(3,925,198)
School administration	12,988,419				(12,988,419)		(12,988,419)
Central Services	3,524,838				(3,524,838)		(3,524,838)
Administrative information technology	2,604,289			\$ 10,324	(2,593,965)		(2,593,965)
Required maintenance	6,844,207				(6,844,207)		(6,844,207)
Operation of plant	17,935,522				(17,935,522)		(17,935,522)
Security	1,966,269				(1,966,269)		(1,966,269)
Student transportation	18,003,928	78,113			(17,925,815)		(17,925,815)
Special schools	46,699				(46,699)		(46,699)
Interest on long-term debt	2,394,907				(2,394,907)		(2,394,907)
Total governmental activities	266,845,214	1,109,587	6,997,929	10,324	(258,727,374)		(258,727,374)
Business-type activities							
Food Service	4,637,519	2,435,298	2,022,935			\$ (179,286)	(179,286)
Corporate Center	907,582	1,036,502				128,920	128,920
Day Care Center	862,347	785,564				(76,783)	(76,783)
Bennett Complex	680,839	379,110				(301,729)	(301,729)
Pine Belt Arena	693,480	313,868				(379,612)	(379,612)
Total business-type activities	7,781,767	4,950,342	2,022,935			(808,490)	(808,490)
Total primary government	\$ 274,626,981	\$ 6,059,929	\$ 9,020,864	\$ 10,324	(258,727,374)	(808,490)	(259,535,864)
General revenues:							
Property taxes, levied for general purposes					132,197,482		132,197,482
Property taxes, levied for for debt service					6,151,510		6,151,510
State Sources					109,413,634		109,413,634
Federal Sources					9,501,970	73,900	9,575,870
Interest Earnings					2,341	626	2,967
Miscellaneous Income					852,447	82,646	935,093
Transfers					112,282	(112,282)	
Total general revenues and transfers					258,231,666	44,890	258,276,556
Change in net position before extraordinary item					(495,708)	(763,600)	(1,259,308)
Extraordinary item-restitution					589,976		589,976
Change in net position					94,268	(763,600)	(669,332)
Net position-beginning, as restated					10,986,722	11,771,444	22,758,166
Net position-ending					\$ 11,080,990	\$ 11,007,844	\$ 22,088,834

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

Toms River Regional School District
Governmental Funds

Balance Sheet

June 30, 2015

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
Assets				
Cash and cash equivalents			\$ 157,002	\$ 157,002
Accounts receivable:				
State	\$ 229,627	\$ 4,876		234,503
Federal	195,662	4,599,301		4,794,963
Other	273,857	4,184		278,041
Other assets	585,382			585,382
Interfund receivable	4,217,611			4,217,611
Restricted assets:				
Cash and cash equivalents	10,141,826			10,141,826
Accounts receivable-state	1,234,794			1,234,794
Total assets	\$ 16,878,759	\$ 4,608,361	\$ 157,002	\$ 21,644,122
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 97,085	\$ 378,210		\$ 475,295
Intergovernmental accounts payable:				
State		105,191		105,191
Interfund payable		3,919,937		3,919,937
Accrued salaries and wages	274,068			274,068
Other liabilities	1,748,764			1,748,764
Unearned revenue		205,023		205,023
Total liabilities	2,119,917	4,608,361		6,728,278
Fund balances:				
Restricted for:				
Excess Surplus - current year	1,062,691			1,062,691
Excess Surplus - prior year designated for subsequent years expenditures	403,454			403,454
Capital reserve	4,023,926			4,023,926
Maintenance reserve	6,647,730			6,647,730
Emergency reserve	704,964			704,964
Debt service			\$ 157,002	157,002
Assigned to:				
Designated for subsequent year's expenditures	796,546			796,546
Designated for subsequent year's expenditures - (SEMI ARRA)	105,506			105,506
Other purposes	1,014,025			1,014,025
Total fund balances	14,758,842		157,002	14,915,844
Total liabilities and fund balances	\$ 16,878,759	\$ 4,608,361	\$ 157,002	

Amounts reported for governmental activities in the statement of net position (A-1) are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$371,262,636 and the accumulated depreciation is \$206,041,167. 165,221,469

Other asset is not due to be received in the current period and therefore is not reported as an asset in the funds. 197,166

Accrued interest payable on debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (1,084,120)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 3,407,363

Accrued liability for insurance claims not due and payable in the current period and therefore is not reported as a liability in the funds. (12,065,778)

Deferred pension costs in governmental activities are not financial resources (uses) and therefore are not reported in the funds. 3,722,608

Accrued pension contributions for the June 30, 2015 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (3,477,959)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (78,094,385)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (81,661,218)

Net position of governmental activities **\$ 11,080,990**

See accompanying notes to basic financial statements.

Toms River Regional School District
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2015

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
Revenues				
Local sources:				
Local tax levy	\$ 132,197,482		\$ 6,151,510	\$ 138,348,992
Interest on investments	2,336			2,336
Interest on capital reserve	2			2
Interest on maintenance reserve	2			2
Interest on emergency reserve	1			1
Transportation fees from other LEAs within the State	78,113			78,113
Tuition	1,031,474			1,031,474
Miscellaneous	842,986	\$ 185,857	9,461	1,038,304
Total revenues—local sources	134,152,396	185,857	6,160,971	140,499,224
State sources	88,367,353	702,210	349,895	89,419,458
Federal sources	9,501,970	6,120,186		15,622,156
Total revenues	232,021,719	7,008,253	6,510,866	245,540,838
Expenditures				
Current:				
Instruction	88,221,777	5,573,265		93,795,042
Undistributed:				
Instruction	4,275,708			4,275,708
Attendance/social work	229,059			229,059
Health services	2,724,097			2,724,097
Guidance services	3,942,185			3,942,185
Speech, OT, PT and related services	3,257,599			3,257,599
Child study teams / special education	3,194,458	1,424,664		4,619,122
Improvement of instruction	2,669,772			2,669,772
School library	1,673,293			1,673,293
Instructional staff training	140,716			140,716
General administration	2,846,459			2,846,459
School administration	7,294,061			7,294,061
Central services	2,012,883			2,012,883
Administrative information technology	1,605,643			1,605,643
Required maintenance	3,299,125			3,299,125
Custodial services	11,461,938			11,461,938
Care & upkeep of grounds	1,425,530			1,425,530
Security	1,103,289			1,103,289
Student transportation	11,551,517			11,551,517
Personnel services-				
unallocated employee benefits	54,700,660			54,700,660
On-behalf payments	19,218,084			19,218,084
Special Schools	26,635			26,635
Capital outlay	3,654,036	10,324		3,664,360
Debt service payment - principal			4,307,834	4,307,834
Debt service payment - interest			2,211,714	2,211,714
Total expenditures	230,528,524	7,008,253	6,519,548	244,056,325
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,493,195	-	(8,682)	1,484,513
Other financing sources:				
Transfers in	112,282			112,282
Proceeds from Community Disaster Loan (CDL)	411,148			411,148
Capital Leases (non-budgeted)	1,651,236			1,651,236
Total other financing sources	2,174,666			2,174,666
Extraordinary Item - restitution funds	589,976			589,976
Net change in fund balances	4,257,837	-	(8,682)	4,249,155
Fund balances, July 1	10,501,005	-	165,684	10,666,689
Fund balances, June 30	<u>\$ 14,758,842</u>	<u>\$ -</u>	<u>\$ 157,002</u>	<u>\$ 14,915,844</u>

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

See accompanying notes to basic financial statements.

Toms River Regional School District
Governmental Funds

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

Year ended June 30, 2015

Total net change in fund balances - governmental funds (B-2) **\$ 4,249,155**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and disposals. This is the amount by which depreciation expense exceeded capital asset additions in the period.

Depreciation expense	\$ (7,626,460)	
Capital asset additions	2,447,030	
Capital assets transferred, net	(71,412)	
Capital asset disposals, net	<u>(297,070)</u>	(5,547,912)

Repayments of bonds, loan, notes and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and are not reported in the statement of net position.

Serial bonds payable	4,125,000	
Obligations under capital leases	812,781	
Deferred pension obligation	51,913	
Retirements of loan principal	<u>182,834</u>	5,172,528

Expenses reported in the statement of activities that do not require the use of current financial resources, such as the obligation for postemployment benefits other than pensions, are not reported as expenditures in governmental funds.

119,546

Claims that have been incurred but not yet reported at June 30 are liabilities on the statement of net position, but are not reflected in the governmental funds. This amount reflects the change in the liability balances at June 30, 2015.

(1,265,393)

In the statement of net position and statement of activities, the investment value of solar renewable energy certificates are presented at market value, and not portrayed in the governmental funds. This amount reflects the change in value at June 30, 2015.

(4,200)

Proceeds from a community disaster loan and capital leases are financing sources in the governmental funds. They are not revenue in the statement of activities; issuing loans and capital leases increases long-term liabilities in the statement of net position.

Capital Lease Proceeds	(1,651,236)	
Community Disaster Loan (CDL)	<u>(411,148)</u>	(2,062,384)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount reflects the change from the prior year.

1,809

Governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Amortization of Premium on Bonds	139,004	
Amortization on Deferred Interest Costs	<u>(324,006)</u>	(185,002)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). The amount presented is the net change.

639,877

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Pension expense	(1,023,756)
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Change in net position of governmental activities (A-2)

\$ 94,268

See accompanying notes to basic financial statements.

Enterprise Funds

Toms River Regional School District
Enterprise Funds

Statement of Net Position

June 30, 2015

	Business-Type Activities					Totals
	Major Enterprise Funds					
Assets	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
Current assets:						
Cash and cash equivalents	\$ 57,133	\$ 481,019	\$ 128,615	\$ 636,954	\$ 413,028	\$ 1,716,749
Accounts receivable:						
State	8,150					8,150
Federal	415,873					415,873
Other	22,935		1,636			24,571
Inventories	81,493					81,493
Other assets		80,320				80,320
Total assets	585,584	561,339	130,251	636,954	413,028	2,327,156
Non-current assets:						
Capital assets, depreciable, net	345,514	5,893,051	18,160	644,416	2,432,075	9,333,216
Total assets	931,098	6,454,390	148,411	1,281,370	2,845,103	11,660,372
Liabilities						
Current liabilities:						
Accounts payable	1,845	34,442				36,287
Accrued salaries and wages	4,343		15,247			19,590
Unearned revenue	95,810	16,979				112,789
Security deposits		73,300				73,300
Interfund payable	297,674					297,674
Total current liabilities	399,672	124,721	15,247			539,640
Non-current liabilities:						
Compensated absences payable	112,888					112,888
Total liabilities	512,560	124,721	15,247			652,528
Net position						
Net investment in capital assets	345,514	5,893,051	18,160	644,416	2,432,075	9,333,216
Unrestricted	73,024	436,618	115,004	636,954	413,028	1,674,628
Total net position	\$ 418,538	\$6,329,669	\$ 133,164	\$1,281,370	\$2,845,103	\$ 11,007,844

See accompanying notes to basic financial statements.

Toms River Regional School District
Enterprise Funds

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2015

	Business Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
Operating revenues:						
Local sources:						
Daily food sales-reimbursable programs	\$ 2,425,817					\$ 2,425,817
Tuition			\$ 785,564			785,564
Rental income		\$ 1,036,502		\$ 274,937	\$ 111,472	1,422,911
Sales				99,925	137,243	237,168
Fees collected					23,333	23,333
Miscellaneous	9,481			4,248	41,820	55,549
Total operating revenues	<u>2,435,298</u>	<u>1,036,502</u>	<u>785,564</u>	<u>379,110</u>	<u>313,868</u>	<u>4,950,342</u>
Operating expenses:						
Salaries	2,018,736		547,437	149,466	93,564	2,809,203
Employee benefits	311,461		80,390	11,434	14,186	417,471
Repairs & maintenance		106,981	1,311	19,788	30,864	158,944
Supplies and materials		5,725	58,827	51,459	70,532	186,543
Cost of sales	2,045,099					2,045,099
Depreciation	76,738	146,691	3,017	26,677	79,136	332,259
Amortization		37,181				37,181
Utilities	57,336	257,814		38,524	30,636	384,310
Real estate taxes		129,997				129,997
Rental expense	38,000		170,000			208,000
Management services		40,500				40,500
Insurance	12,275	13,000		2,207	11,076	38,558
Other purchased services	60,837	162,453		16,863		240,153
Miscellaneous	17,037	7,240	1,365	364,421	363,486	753,549
Total operating expenses	<u>4,637,519</u>	<u>907,582</u>	<u>862,347</u>	<u>680,839</u>	<u>693,480</u>	<u>7,781,767</u>
Operating (loss) income	(2,202,221)	128,920	(76,783)	(301,729)	(379,612)	(2,831,425)
Non-operating revenues:						
State sources:						
School lunch program	39,107					39,107
Federal sources:						
School breakfast program	261,010					261,010
School lunch program	1,406,566					1,406,566
Healthy Hunger-Free Kids Act (HHFKA)	46,796					46,796
Food donation program	269,456					269,456
Federal Emergency Management Agency (FEMA)	73,900					73,900
Interest revenue	238	358			30	626
Contributed assets	82,646					82,646
Total nonoperating revenues	<u>2,179,719</u>	<u>358</u>			<u>30</u>	<u>2,180,107</u>
Other Financing (Uses)						
Transfers out				(20,974)	(91,308)	(112,282)
Total other financing (uses)				<u>(20,974)</u>	<u>(91,308)</u>	<u>(112,282)</u>
Change in net position	(22,502)	129,278	(76,783)	(322,703)	(470,890)	(763,600)
Total net position, beginning	441,040	6,200,391	209,947	1,604,073	3,315,993	11,771,444
Total net position, end	<u>\$ 418,538</u>	<u>\$ 6,329,669</u>	<u>\$ 133,164</u>	<u>\$ 1,281,370</u>	<u>\$ 2,845,103</u>	<u>\$ 11,007,844</u>

See accompanying notes to basic financial statements.

Toms River Regional School District
Enterprise Funds

Statement of Cash Flows

Year ended June 30, 2015

	Business Type Activities					Totals
	Major Enterprise Funds					
	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
Cash flows from operating activities						
Receipts from customers	\$ 2,434,913	\$ 1,048,683	\$ 784,544	\$ 379,110	\$ 313,466	\$ 4,960,716
Payments to employees	(2,034,259)		(630,892)	(161,450)	(110,555)	(2,937,156)
Payments for employee benefits	(311,461)					(311,461)
Payments for rent			(170,000)			(170,000)
Payments to suppliers	(2,244,038)	(822,245)	(61,503)	(493,262)	(506,192)	(4,127,240)
Net cash (used in) provided by operating activities	<u>(2,154,845)</u>	<u>226,438</u>	<u>(77,851)</u>	<u>(275,602)</u>	<u>(303,281)</u>	<u>(2,585,141)</u>
Cash flows from investing activities						
Interest received	238	358			30	626
Purchase of capital assets		(131,490)				(131,490)
Net cash provided by (used in) investing activities	<u>238</u>	<u>(131,132)</u>			<u>30</u>	<u>626</u>
Cash flows from noncapital financing activities						
Cash received from state and federal sources	1,874,729					1,874,729
Cash received (disbursed) to other funds	224,254			(20,974)	(91,308)	111,972
Net cash provided by (used in) noncapital financing activities	<u>2,098,983</u>			<u>(20,974)</u>	<u>(91,308)</u>	<u>1,986,701</u>
Net (decrease) increase in cash and cash equivalents	(55,624)	95,306	(77,851)	(296,576)	(394,559)	(729,304)
Cash and cash equivalents, beginning of year	112,757	385,713	206,466	933,530	807,587	2,446,053
Cash and cash equivalents, end of year	<u>\$ 57,133</u>	<u>\$ 481,019</u>	<u>\$ 128,615</u>	<u>\$ 636,954</u>	<u>\$ 413,028</u>	<u>\$ 1,716,749</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities						
Operating (loss) income	\$ (2,202,221)	\$ 128,920	\$ (76,783)	\$ (301,729)	\$ (379,612)	\$ (2,831,425)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	76,738	146,691	3,017	26,677	79,136	332,259
Change in assets and liabilities:						
Increase (decrease) in accounts payable	1,845	(61,354)				(59,509)
(Increase) in inventory	(15,299)					(15,299)
(Increase) in intergovernmental receivable			(1,020)			(1,020)
(Decrease) increase in unearned revenue	(1,804)	16,979				15,175
Increase in accounts receivable	1,419					1,419
(Decrease) in compensated absences payable	(14,758)					(14,758)
Decrease in other assets		3,405				3,405
(Decrease) in other liabilities		(8,203)				(8,203)
(Decrease) in accrued salaries	(765)		(3,065)	(550)	(2,805)	(7,185)
Net cash (used in) provided by operating activities	<u>\$ (2,154,845)</u>	<u>\$ 226,438</u>	<u>\$ (77,851)</u>	<u>\$ (275,602)</u>	<u>\$ (303,281)</u>	<u>\$ (2,585,141)</u>
Noncash noncapital financing activities						
The District received \$266,046 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2015.						

See accompanying notes to basic financial statements.

Fiduciary Funds

Toms River Regional School District
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2015

	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust	Agency Funds
Assets			
Cash and cash equivalents	\$ 60,593	\$ 5,562,421	\$ 6,818,929
Total assets	60,593	5,562,421	\$ 6,818,929
Liabilities			
Payroll deductions and withholdings payable			\$ 6,127,794
Accounts payable		95,462	
Due to class funds			34,072
Due to student groups			657,063
Total liabilities		95,462	\$ 6,818,929
Net position			
Held in trust for unemployment benefits		\$ 5,466,959	
Held in trust for scholarships	\$ 60,593		

See accompanying notes to basic financial statements.

Toms River Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2015

	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust
Additions		
Interest received	\$ 352	\$ 9
Contributions-employees		385,311
Donations	14,600	
Total additions	<u>14,952</u>	<u>385,320</u>
Deductions		
Scholarships awarded	19,243	
Service charges	10	
Unemployment claims		338,663
Total deductions	<u>19,253</u>	<u>338,663</u>
Change in net position	(4,301)	46,657
Net position-beginning of the year	64,894	5,420,302
Net position-end of the year	<u>\$ 60,593</u>	<u>\$ 5,466,959</u>

See accompanying notes to basic financial statements.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies

The financial statements of the Toms River Regional School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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

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

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

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the capital outlay subfund.

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

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds, state and local funds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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

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

The District reports the following major proprietary funds:

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

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

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

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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

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

Additionally, the District reports the following fiduciary fund types:

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

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

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office. In accordance with P.L. 2011, c.202, which became effective January 17, 2012, the District elected to move the April 2013 School Board election to the date of the November general election thereby eliminating the vote on the base budget. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution and certain other matters require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Cash, Cash Equivalents and Investments

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

F. Inventories

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

At June 30, 2015, there was \$2,107 in unused Food Donation Program commodities owned by the District.

G. Capital Assets

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

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

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

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

H. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences (continued)

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

As of June 30, 2015, a liability existed for compensated absences in the government-wide financial statements in the amount of \$12,274,697. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees and is recorded in the amount of \$112,888.

I. Unearned Revenue

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

J. Deferred Outflows / Inflows or Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

K. Deferred Loss on Defeasance of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2015 amounted to \$324,006.

As of June 30, 2015, the District has recorded an unamortized balance of \$3,407,363 as a deferred outflow of resources. This amount had previously been recorded in the financial statements as an asset entitled unamortized loss on extinguishment of debt.

L. Long-Term Obligations

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

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

M. Fund Balances

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances (continued)

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

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances (continued)

Of the \$14,758,842 of general fund balance at June 30, 2015, \$2,861,669 of encumbrances are offset by an unrestricted deficit of \$1,847,644, resulting in the \$965,375 balance assigned to other purposes, \$4,023,926 is restricted in a capital reserve (\$1,835,000 of the balance is being utilized as part of the 2015-16 budget), \$6,647,730 is restricted in a maintenance reserve, and \$704,964 is restricted in an emergency reserve, \$1,062,691 has been restricted for excess surplus – current year, \$403,454 of prior year excess surplus has been designated for subsequent years expenditures, \$105,506 has been designated as assigned fund balance for subsequent years expenditures pertaining to recognition of SEMI ARRA revenue, and \$796,546 is reported as an assigned fund balance designated for subsequent year's expenditures.

N. Net Position

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

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

O. Management Estimates

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

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teacher and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. \$403,454 of prior year excess fund balance was included in the 2015-16 approved budget. The excess fund balance generated in the 2015 fiscal year is \$1,062,691, which will be appropriated in the 2016-17 budget.

R. GASB Pronouncements

GASBs Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (“GASB No. 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement replaces the requirement of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68* (“GASB 71”). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities. The requirements of this Statement will eliminate the source of a potential understatement of

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

restated beginning net position and expense in the first year of implementation of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

GASB Pronouncements to be implemented in the 2016 Fiscal Year

In February, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District has not completed the process of evaluating the impact that will result from adopting GASB No. 72.

S. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 and December 15, 2015, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized premiums, long term notes payable, compensated absences, capital leases, the Community Disaster Loan and deferred pension liability, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$81,661,218 difference are as follows:

Bonds payable	\$57,705,000
Unamortized Bond Premium	1,832,403
Notes payable	1,462,672
Deferred pension obligations	960,454
Capital leases payable	2,425,992
Community Disaster Loan (CDL)	5,000,000
Compensated absences payable	12,274,697
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$81,661,218</u>

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

The ending balance of \$2,425,992 for capital leases excludes \$1,748,764 that the District has in the General Fund for lease liabilities. Since the \$1,748,764 is already included as a liability on the Government Fund Balance Sheet (B-1), it is not a reconciling item to the Government-Wide Statement of Net Position (A-1).

3. Deposits and Investments

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units.

The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments (continued)

Deposits

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

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

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

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

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

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

At June 30, 2015, the carrying amount of the District's deposits for all funds was \$24,045,351 and the bank balance was \$25,827,118. Of the bank balance, \$673,185 of the District's cash deposits on June 30, 2015 were secured by federal depository insurance.

The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered \$18,325,518 of the bank balance. \$6,828,415 held in the District agency accounts are not covered by GUDPA.

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments (continued)

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

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

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

Investments

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

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

As of June 30, 2015, the District's investment balances of \$87,613 were in Solar Renewable Energy Certificates, which was sold and received within 60 days of the fiscal year end, and therefore, were recorded as an accounts receivable in the General Fund at June 30, 2015.

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District's shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2015, the District's balance was \$412,171.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments (continued)

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

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

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

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2015, all of the District's investments were invested in NJCMF, except for the SRECs.

All of the District's investments in the NJCMF are classified as cash equivalents at June 30, 2015.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,368,923				\$ 5,368,923
Total capital assets, not being depreciated	5,368,923				5,368,923
Capital assets, being depreciated:					
Land improvements	20,718,793	\$ 44,646			20,763,439
Buildings and building improvements	322,406,968	1,303,729	\$ (6,612)	\$ (16,897)	323,687,188
Machinery, equipment and vehicles	23,998,824	1,098,655	(3,558,027)	(96,366)	21,443,086
Total capital assets being depreciated	367,124,585	2,447,030	(3,564,639)	(113,263)	365,893,713
Less accumulated depreciation for:					
Land improvements	13,095,709	972,504			14,068,213
Buildings and building improvements	168,023,553	5,849,701	(39,312)		173,833,942
Machinery, equipment and vehicles	20,604,866	804,255	(3,228,258)	(41,851)	18,139,012
Total accumulated depreciation	201,724,128	7,626,460	(3,267,570)	(41,851)	206,041,167
Total capital assets, being depreciated, net	165,400,457	(5,179,430)	(297,069)	(71,412)	159,852,546
Governmental activities capital assets, net	\$170,769,380	\$(5,179,430)	\$ (297,069)	\$ (71,412)	\$165,221,469

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

4. Capital Assets (continued)

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2015:

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

Instruction	\$4,676,712
Attendance/social work	10,923
Health services	129,904
Guidance services	187,991
Other support services	382,328
Improvement of instruction	127,314
School library	79,795
General administration	135,739
School administration	347,833
Central services	95,989
Administrative IT	76,568
Required maintenance	157,326
Operation of plant	614,566
Security	52,613
Student transportation	550,859
Total depreciation expense – governmental activities	<u>\$7,626,460</u>

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

4. Capital Assets (continued)

The following is a summary of business-type changes in capital assets for the year ended June 30, 2015.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,421,600				\$ 1,421,600
Total assets not being depreciated	1,421,600				1,421,600
Capital assets, being depreciated:					
Machinery and equipment	2,234,541	\$ 21,400	\$ (52,799)	\$ 282,583	2,485,725
Land improvements	522,110		(25,043)	(12,972)	484,095
Buildings and building improvements	10,268,806	171,270		(156,348)	10,283,728
Total assets being depreciated	13,025,457	192,670	(77,842)	113,263	13,253,548
Less accumulated depreciation for:					
Machinery and equipment	1,857,923	103,221	(21,410)	41,851	1,981,585
Land improvements	303,112	24,974	(4,872)		323,214
Buildings and building improvements	2,834,683	204,064	(1,614)		3,037,133
Total accumulated depreciation	4,995,718	332,259	(27,896)	41,851	5,341,932
Total business-type activities capital assets, net	\$ 9,451,339	\$ (139,589)	\$ (49,946)	\$ 71,412	\$ 9,333,216

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 12,914,574	\$ 592,171	\$(1,232,048)	\$ 12,274,697	\$ 980,970
Community Disaster Loan (CDL)	4,588,852	411,148		5,000,000	
Bonds payable	61,830,000		(4,125,000)	57,705,000	4,300,000
Notes payable	1,645,506		(182,834)	1,462,672	182,834
Premium on bonds	1,971,407		(139,004)	1,832,403	139,004
Deferred pension obligations	1,012,367		(51,913)	960,454	56,369
Capital leases payable	1,587,537	3,400,000	(812,781)	4,174,756	1,146,863
Total governmental activities long-term liabilities	\$ 85,550,243	\$ 4,403,319	\$(6,543,580)	\$ 83,409,982	\$ 6,806,040

The District expects to liquidate the compensated absences and capital leases with payments made from the District's general fund. Bonds and notes payable are expected to be liquidated by expenditures charged to the debt service fund. The deferred pension liability is expected to be paid from budgetary appropriations in the general fund. The CDL will be paid from the general fund upon assessment from FEMA as to the final amount required to be paid back, if any and there are no amounts currently due within a year.

During the year ended June 30, 2015, the following changes occurred in business type long-term liabilities attributable to the food service enterprise fund:

	Beginning Balance	Reductions	Ending Balance
Business type activities:			
Compensated absences payable	<u>\$ 127,646</u>	<u>\$ (14,758)</u>	<u>\$ 112,888</u>

Bonds Payable

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ 4,300,000	\$ 2,012,885	\$ 6,312,885
2017	4,460,000	1,847,330	6,307,330
2018	4,615,000	1,689,218	6,304,218
2019	4,785,000	1,519,965	6,304,965
2020	4,975,000	1,339,275	6,314,275
2021-2025	28,120,000	3,744,545	31,864,545
2026-2029	6,450,000	529,000	6,979,000
	<u>\$ 57,705,000</u>	<u>\$ 12,682,219</u>	<u>\$ 70,387,219</u>

Bonds payable at June 30, 2015 are comprised of the following issues:

\$27,244,000, 2003 refunding bonds, final installment of \$990,000 due July 15, 2015 at an interest rate of 4.00%.

\$24,525,000, 2004 ERI bonds, final installment of \$660,000 due July 15, 2015 at interest an interest rate of 4.74%.

\$12,440,000, 2007 refunding bonds, due in annual installments ranging from \$1,215,000 to \$1,585,000 through January 15, 2021 at interest rates ranging from 4.50% to 5.00%.

\$15,790,000, 2009 refunding bonds, due in annual installments ranging from \$1,135,000 to \$1,485,000 through July 15, 2022 at interest rates ranging from 2.25% to 4.00%.

\$17,635,000, 2012 refunding bonds, due in annual installments ranging from \$15,000 to \$1,710,000 through July 15, 2028 at interest rates ranging from 4.00% to 4.50%.

\$20,365,000, 2013 refunding bonds, due in annual installments ranging from \$285,000 to \$4,630,000 through July 15, 2024 at interest rates ranging from 4.80% to 5.25%.

Defeased Debt

In December 2012, the District issued \$17,635,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2015, \$17,904,000 of defeased debt remains outstanding.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

In May 2013, the District issued \$20,365,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2015, \$17,980,000 of defeased debt remains outstanding.

Notes Payable-CREBS

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ 182,834	\$ 15,769	\$ 198,603
2017	182,834	13,667	196,501
2018	182,834	11,564	194,398
2019	182,834	9,461	192,295
2020	182,834	7,359	190,193
2021-2023	548,502	9,463	557,965
	<u>\$ 1,462,672</u>	<u>\$ 67,283</u>	<u>\$ 1,529,955</u>

Deferred Pension Obligation

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ 56,369	\$ 80,565	\$ 136,934
2017	61,207	75,727	136,934
2018	66,461	70,473	136,934
2019	72,166	64,768	136,934
2020	78,360	58,574	136,934
2021-2025	505,009	179,661	684,670
2026	120,882	8,602	129,484
	<u>\$ 960,454</u>	<u>\$ 538,370</u>	<u>\$ 1,498,824</u>

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

Capital Leases Payable

The District is leasing various items under several capital leases. The following is a schedule of the future minimum lease payments and the present net value of the net minimum payments at June 30, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2015	\$ 1,146,863	\$ 61,114	\$ 1,207,977
2016	986,008	44,511	1,030,519
2017	918,604	27,940	946,544
2018	771,975	14,515	786,490
2019	351,306	4,460	355,766
	<u>\$ 4,174,756</u>	<u>\$ 152,540</u>	<u>\$ 4,327,296</u>

Operating Leases

The District leases copier equipment. The future minimum rental payments under the operating lease agreements total \$39,797 for the year ending June 30, 2015. The following is a schedule of the future minimum lease payments under the lease agreement over the remaining life of the lease:

<u>Fiscal Year Ending:</u>	<u>Amount</u>
2016	\$ 16,859
2017	12,778
2018	12,778
2019	3,218
Total Minimum Lease Payments	<u>\$ 45,633</u>

FEMA Community Disaster Loan (CDL)

The District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for a \$5,000,000 total loan and withdrew \$4,588,852 and \$411,148 as a reduction of the tax levy assessed in the 2013-14 and 2014-2015 school year, respectively. The amount of principal and interest accrued through June 30, 2015 is \$5,000,000 and \$133,390, respectively. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. The loan matures in 2018.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

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

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

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

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Public Employee's Retirement System

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

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for 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 Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

During the year ended June 30, 2015, the State of New Jersey contributed \$12,389,806 to the TPAF for on-behalf medical and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$6,828,278 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2015, 2014, and 2013 were \$3,584,736, \$3,171,680, and \$3,193,343, respectively, equal to the required contributions for each year.

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

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

Public Employee's Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$78,094,385 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2013, which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.4171099175 percent, which was an increase of 0.0151319342 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized full accrual pension expense of \$4,462,350 in the government-wide financial statements. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,455,707	
Net difference between projected and actual earnings on pension plan investments		\$ (4,654,001)
Changes in proportion and differences between District contributions and proportionate share of contributions	2,442,943	
District contributions subsequent to the measurement date	3,477,959	
	<u>\$ 8,376,609</u>	<u>\$ (4,654,001)</u>

\$3,477,959 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (263,013)
2017	(263,013)
2018	(263,013)
2019	(263,014)
2020	900,487
Thereafter	396,215
	<u>\$ 244,649</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Inflation rate	3.01%
Salary increases	
2012-2021	2.15 - 4.40% based on age
Thereafter	3.15 - 5.40% based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
\$ 98,245,396	\$ 78,094,385	\$ 61,172,665

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$	1,452,705,538
Collective deferred inflows of resources	\$	2,146,719,012
Collective net pension liability - Local Group	\$	18,722,735,003
 District's Proportion		 0.4171099175%

Collective pension expense for the Local Group for the measurement period ended June 30, 2014 is \$968,532,408.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.44 years.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2014 was \$473,610,948. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2014, the State's proportionate share of the TPAF net pension liability associated with the District was 0.8861361810 percent, which was an increase of 0.0127644924 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$28,297,862 for contributions incurred by the State.

Actuarial assumptions

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

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Fund / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	100.00%	

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	Decrease (3.68%)	Discount Rate (4.68%)	Increase (5.68%)
State's proportionate share of the net pension liability associated with the District	\$ 569,629,561	\$ 473,610,948	\$ 393,748,579

Pension plan fiduciary net position

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$	2,389,959,068
Collective deferred inflows of resources	\$	1,846,540,800
Collective net pension liability - Local Group	\$	53,813,067,539
State's proportionate share associated with the District		0.8861361810%

Collective pension expense for the plan for the measurement period ended June 30, 2014 is \$2,906,835,786.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 8.5 years.

7. Post-Retirement Benefits

State Plan

Plan Description

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

7. Post-Retirement Benefits (continued)

Funding Policy

P.L. 1987, chapter 384 and P.L. 1990, Chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2015, 2014 and 2013 were \$7,601,476, \$6,146,491, and \$6,381,185 respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

District Plan

The District follows the accounting provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in accounting for its self-administered post-retirement benefit plan. This statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their dependents have accrued as a result of their respective years of employment service. Statement No. 45 requires governments to account for other post-employment benefits, primarily health care, on an accrual rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

7. Post-Retirement Benefits (continued)

the government-wide statement of activities when a retiree earns their postemployment benefit rather than when they use their postemployment benefit. To the extent that an entity does not fund their actuarially required contribution, a postemployment benefit liability is recognized on the government-wide statement of net position over time. The requirements of this statement are being implemented prospectively, with the actuarially accrued liability for the benefits at July 1, 2013 (date of initial calculation) being amortized over 30 years. Accordingly, for financial reporting purposes, no liability was reported for the postemployment health care benefits liability at the date of transition.

Plan Description

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

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

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The District has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. For the fiscal year ended June 30, 2015, the District's annual OPEB cost (expense) of \$272,410 was higher than the ARC of \$152,864, as the cost was based on actual premiums paid during the 2014-15 year for the 20 retirees. The following table presents the components of the District's annual OPEB cost for the last year, the amount actually contributed to the Plan and changes in the District's net OPEB obligation to the Plan at June 30, 2015:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2015

7. Post-Retirement Benefits (continued)

Benefit Obligations and Normal Cost

	<u>June 30, 2015</u>
Actuarial accrued liability (AAL)	\$2,643,343
Unfunded actuarial accrued liability (UAAL)	\$2,643,343
Normal cost at beginning of year	\$0
Amortization factor based on 30 years	7.98%
Amortization component	\$152,864
Annual covered payroll	Not Applicable
UAAL as a percentage of covered payroll	Not Applicable

Level Dollar Amortization

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

	<u>June 30, 2015</u>
Annual required Contribution	<u>\$ 152,864</u>
Interest on net OPEB obligation	-
Adjustment to OPEB	<u>-</u>
Annual OPEB cost (expense)	152,864
Employer contributions	(272,410)
Net OPEB obligation (asset)-beginning of year	<u>(77,620)</u>
Net OPEB obligation (asset)- end of year	<u><u>\$(197,166)</u></u>

Funded Status and Funding Progress

As of June 30, 2015 the actuarial accrued liability for benefits was \$2,643,343 all of which was unfunded.

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

Actuarial Valuations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality and healthcare cost trends. Amounts determined regarding the funded

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

7. Post-Retirement Benefits (continued)

status of the Plan and the annual required contributions of the District and Plan members are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the District and Plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2015 actuarial valuation, the liabilities were computed using the entry age method and level dollar amortization over 30 years of which there are 10 years remaining. The actuarial assumptions include a 4.0% discount rate and an initial healthcare cost trend rate of 9.7% leveling off to 5.0% with 0.5% annual increments for health care and pharmacy benefits and 3.8% and 3.3% for dental and vision, respectively, for all years.

8. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,217,611	
Special Revenue Fund		\$ 3,919,937
Food Service Enterprise Fund		297,674
	<u>\$ 4,217,611</u>	<u>\$ 4,217,611</u>

The general fund interfund receivable is due from the special revenue fund in the amount of \$3,919,937 and \$297,674 from the food service enterprise fund, both for a transfer during 2014-2015 to cover a pooled cash deficit that is due back to the general fund.

All interfunds are expected to be paid within one year.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

8. Interfund Receivables and Payables (continued)

Transfers – Reconciliation

The following presents a reconciliation of transfers made during the 2015 fiscal year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 112,282	
Bennett Complex Enterprise Fund		\$ 20,974
Pine Belt Arena Enterprise Fund		91,308
	<u>\$ 112,282</u>	<u>\$ 112,282</u>

The transfer from the Pine Belt Arena enterprise fund to the general fund of \$91,308 represents a return on investment transferred to the general fund. The transfer from the Bennett Complex Enterprise Fund to the general fund of \$20,974 also represents the transfer of a return on investment transferred to the general fund.

9. Economic Dependency

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

10. Risk Management

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

During the 2015 fiscal year, the District was covered by commercial insurance, as well as being self-insured for workers' compensation (\$650,000 deductible/limit per occurrence), general and auto liability (\$300,000 deductible/limit per occurrence) and student accident (\$25,000 deductible/limit per occurrence).

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

10. Risk Management (continued)

Health Insurance-Self Insured

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

This activity is reported in the government-wide financial statements and includes an accrual for health insurance claims incurred but not reported in the amount of \$5,702,456 at June 30, 2015. This represents the amount estimated by categorizing the various claims and reviewing past history primarily on actual claims during the previous fiscal years, for which information was available and supplemental information with respect to certain other individual claims and proceedings. The stated liability is the District's best estimate based on currently known information and application of the foregoing procedures and funds the liability with annual appropriations in the general fund.

Changes in the funds incurred but not reported claims liability amount for health insurance for the fiscal years 2015 and 2014 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2014-15	\$ 5,309,016	\$ 44,474,452	\$ 44,081,012	\$ 5,702,456
2013-14	5,500,000*	45,983,615	46,174,599	5,309,016

*As restated.

Information prior to June 30, 2013 was not available.

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

The District is self-insured for amounts limited to between \$25,000 and \$650,000 per occurrence, depending upon the type and year the liability was incurred for certain types of claims and any excess is covered by excess insurance coverage. The liability on the next page was estimated by an actuary categorizing the various claims and reviewing past history based primarily on actual settlements by type of claim during the preceding fiscal years, for which information was available and supplemental information with respect to certain other individual claims and proceedings. The stated liability is the

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

10. Risk Management (continued)

District's best estimate based on currently known information and application of the foregoing procedures.

Changes in the case reserves and incurred but not reported claims liability amount for workers' compensation, general and auto liability, employment practice, legal liability and student accident claims for the fiscal years ending 2015 and 2014 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments / Reductions</u>	<u>Balance at End of Year</u>
2014-15	\$ 5,491,369	\$ 3,097,003	\$ 2,225,050	\$ 6,363,322
2013-14	4,544,579*	2,221,051	1,274,261	5,491,369

*As restated.

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

New Jersey Unemployment Compensation Insurance

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

10. Risk Management (continued)

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

Fiscal Year	Interest on Investments	Contributions	Amount Paid	Ending Balance
2014-15	\$ 9	\$ 385,311	\$ 338,663	\$5,466,959
2013-14	7	385,302	292,693	5,420,302
2012-13	8	371,628	375,418	5,327,686

11. Deferred Compensation

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

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

12. Restricted Assets

The District has restricted certain assets to offset the capital reserve, maintenance reserve and emergency reserve fund balances in the general fund in the amount of \$4,023,926, \$6,647,730 and \$704,964, respectively.

13. Capital Reserve Account

A capital reserve account was established by the District's Board of Education by inclusion in September of 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line items of appropriation amounts, or

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

13. Capital Reserve Account (continued)

both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, June 30, 2014	\$ 3,550,274
Budget Withdrawal	(1,575,000)
Interest earnings	2
Deposits:	
Approved by June 2015 resolution	2,000,000
Unused capital outlay funds	48,650
Ending balance, June 30, 2015	<u>\$ 4,023,926</u>

The June 30, 2015 balance in the capital reserve account did not exceed the local support costs of uncompleted capital projects. The District has budgeted \$1,835,000 of the June 30, 2015 capital reserve balance in its 2015-16 fiscal year budget.

14. Maintenance Reserve Account

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

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

14. Maintenance Reserve Account (continued)

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, June 30, 2014	\$ 4,647,728
Interest earnings	2
Deposits:	
Approved by June 2015 resolution	<u>2,000,000</u>
Ending balance, June 30, 2015	<u>\$ 6,647,730</u>

The District has budgeted \$500,000 of the June 30, 2015 maintenance reserve balance in its 2015-16 fiscal year budget.

15. Emergency Reserve Account

An emergency reserve account was established by the District during the 2006-2007 school year for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by the board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, June 30, 2014	\$ 704,963
Interest earnings	<u>1</u>
Ending balance, June 30, 2015	<u>\$ 704,964</u>

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

16. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

17. Commitments

The District has contractual commitments at June 30, 2015 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$2,861,669.

18. Community Development Block Grant

The District received a Community Development Block Grant in the amount of \$9,000,000 which reduced the General Fund Levy for 2014-15. The grant was received in response to an application filed by the municipality due to Superstorm Sandy in October 2012. This essential service grant was used to fund "essential services" including salaries of teachers and is presented in schedule C-1b in Fund 19.

For fiscal year 2016, the District received \$7,342,361 in CDBG funding but this represents the final year (of a three year period) in which the grant will be made available. As a result, the District may have to make budgetary adjustments in order to account for the loss of this grant in the future years' budgets.

19. Deferred Pension Obligation

In 2009, the State of New Jersey permitted School Districts to defer up to 50% of their contributions due in 2009. The District elected this option, resulting in a deferral of \$1,144,755 which has been reported in the District's long-term liabilities section. The balance as of June 30, 2015 is \$960,454.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2015

20. Extraordinary Item

The former superintendent for the District was ordered to pay \$4,336,988 in restitution to the School District. The District received \$589,976 of the funds during the fiscal year ended June 30, 2015, which have been recorded as an extraordinary item. Applicable authorities and District attorneys' are vigorously pursuing the remaining funds owed to the District. The remaining balance has not been recorded in the financial statements and will not be recorded until the funds are released and received by the District.

21. Change in Accounting Principle / Restatement

	Governmental Activities
Beginning Net Position - June 30, 2014	<u>\$ 87,812,702</u>
Adjustments:	
Recognition of Net Pension Liability	(76,825,980)
Deferred outflow for PERS FY2015 Pension Payment	3,438,594
Accounts Payable for PERS FY2015 Pension Payment	<u>(3,438,594)</u>
Adjustment	<u>(76,825,980)</u>
Beginning Net Position - June 30, 2014 (as restated)	<u>\$ 10,986,722</u>

Required Supplementary Information
Part II

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

Toms River Regional School District
 Required Supplementary Information
 Schedule of Funding Progress
 Post-Employment Healthcare Benefit Plan
 Year ended June 30, 2015

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

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

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

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

Toms River Regional School District
Required Supplementary Information
Schedule of Employer Contributions
Post-Employment Healthcare Benefit Plan
Year ended June 30, 2015

Fiscal Year Ended	Employer Contributions
June 30, 2015	\$ 272,410
June 30, 2014	230,484

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

Toms River Regional Schools
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System

Last Ten Fiscal Years*

	Year Ended June 30,
	2015
District's proportion of the net pension liability (asset) - Local Group	0.4171099175%
District's proportionate share of the net pension liability (asset)	\$ 78,094,385
District's covered-employee payroll	\$ 27,572,381
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	283.23%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	52.08%

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

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

Toms River Regional Schools
 Schedule of District Contributions
 Public Employee's Retirement System

Last Ten Fiscal Years*

	Year Ended June 30,
	2015
Contractually required contribution	\$ 3,477,959
Contributions in relation to the contractually required contribution	(3,477,959)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$ 27,572,381
Contributions as a percentage of covered-employee payroll	12.61%

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

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

Last Ten Fiscal Years*

	Year Ended June 30, 2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.8861361810%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 473,610,948
Total proportionate share of the net pension liability (asset) associated with the District	\$ 473,610,948
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

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

Toms River Regional Schools
Notes to Required Supplementary Information
Year ended June 30, 2015

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014.

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014.

Required Supplementary Information

Part III

Budgetary Comparison Schedules

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

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 132,197,482		\$ 132,197,482	\$ 132,197,482	
Tuition from individuals	67,962		67,962	105,619	\$ 37,657
Interest on investments				2,336	2,336
Interest on capital reserve	2		2	2	
Interest on maintenance reserve	2		2	2	
Interest on emergency reserve	1		1	1	
Transportation fees from other LEAs within the State	80,000		80,000	78,113	(1,887)
Tuition from other LEAs within the State	624,243		624,243	815,728	191,485
Tuition from other sources				110,127	110,127
Rental Income	65,000		65,000	128,231	63,231
Solar Credits	300,000		300,000	229,013	(70,987)
Private contributions				151	151
Miscellaneous	374,998		374,998	485,591	110,593
Total - local sources	133,709,690		133,709,690	134,152,396	442,706
State sources:					
Special Education Categorical Aid	9,141,043		9,141,043	9,141,043	
Extraordinary Aid	500,000		500,000	1,134,131	634,131
Equalization Aid	39,889,745		39,889,745	39,889,745	
Security Aid	1,820,980		1,820,980	1,820,980	
Adjustment Aid	11,839,961		11,839,961	11,839,961	
Transportation Aid	4,586,531		4,586,531	4,586,531	
Under Adequacy Aid	433,801		433,801	433,801	
Non-Public Transportation Aid				24,708	24,708
PARCC Readiness Aid	155,830		155,830	155,830	
Per Pupil Growth Aid	155,830		155,830	155,830	
Other State Aids					
Reimbursed TPAF social security contributions				6,828,278	6,828,278
Reimbursed TPAF pension contributions				4,788,330	4,788,330
Reimbursed TPAF Post-Retirement Medical				7,601,476	7,601,476
Total - state sources	68,523,721		68,523,721	88,400,644	19,876,923
Federal sources:					
Medicaid reimbursement	175,460		175,460	396,464	221,004
Medicaid reimbursement (SEMI ARRA)				105,506	105,506
Community Development Block Grant	9,000,000		9,000,000	9,000,000	
Total - federal sources	9,175,460		9,175,460	9,501,970	326,510
Total revenues	211,408,871		211,408,871	232,055,010	20,646,139
Expenditures					
Current :					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/Kindergarten	2,086,922	\$ (65,850)	2,021,072	2,021,072	
Grades 1-5	23,649,978	(513,201)	23,136,777	23,134,224	2,553
Grades 6-8	15,320,398	(181,337)	15,139,061	15,099,847	39,214
Grades 9-12	21,634,502	(112,047)	21,522,455	21,267,674	254,781
	62,691,800	(872,435)	61,819,365	61,522,817	296,548

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Instruction-home instruction:					
Salaries of teachers	\$ 100,000	\$ 106,332	\$ 206,332	\$ 197,273	\$ 9,059
Purchased professional educational services	95,000	(11,123)	83,877	79,109	4,768
Regular programs - undistributed instruction:					
Other salaries for instruction	103,152	25,910	129,062	123,586	5,476
Purchased professional educational services	175,000	5,860	180,860	149,454	31,406
Purchased professional technical services	205,000	68,085	273,085	212,448	60,637
Other purchased services	899,000	(13,733)	885,267	800,793	84,474
General supplies	2,027,706	187,390	2,215,096	1,850,916	364,180
Textbooks	1,424,908	(87,146)	1,337,762	1,283,575	54,187
Other objects	64,000	(5,330)	58,670	41,757	16,913
Total regular programs	67,785,566	(596,190)	67,189,376	66,261,728	927,648
Special education:					
Cognitive - Mild:					
Salaries of teachers	390,336	1,420	391,756	391,756	
Other salaries for instruction	289,877	10,318	300,195	300,195	
Other purchased services	7,500	(7,500)			
General supplies	3,000	3,895	6,895	6,894	1
Total Cognitive - Mild	690,713	8,133	698,846	698,845	1
Special education:					
Cognitive - Moderate:					
Salaries of teachers	124,562	(6,773)	117,789	117,789	
Other salaries for instruction	50,713	(5,780)	44,933	44,388	545
General supplies	1,500	1,124	2,624	2,623	1
Total Cognitive - Moderate	176,775	(11,429)	165,346	164,800	546
Auditory Impairments:					
Salaries of teachers	143,964	(6,462)	137,502	137,497	5
Other salaries for instruction	329,494	(308,977)	20,517	17,703	2,814
General supplies	4,304	525	4,829	4,818	11
Total auditory impairments	477,762	(314,914)	162,848	160,018	2,830
Learning and/or language disabilities:					
Salaries of teachers	2,368,091	(80,070)	2,288,021	2,288,021	
Other salaries of instruction	1,065,360	(4,851)	1,060,509	1,060,509	
General supplies	28,000	(5,622)	22,378	22,160	218
Other objects		2,100	2,100	2,100	
Total Learning and/or language disabilities	3,461,451	(88,443)	3,373,008	3,372,790	218
Behavioral disabilities:					
Salaries of teachers	499,824	(66,514)	433,310	433,310	
Other salaries for instruction	189,036	(1,311)	187,725	185,725	2,000
Purchased professional and educational services	34,000	(100)	33,900	30,600	3,300
General supplies	5,438	(211)	5,227	5,227	
Textbooks	600	(600)			
Total behavioral disabilities	728,898	(68,736)	660,162	654,862	5,300

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Special education (continued):					
Multiple disabilities:					
Salaries of teachers	\$ 271,803	\$ (29,200)	\$ 242,603	\$ 241,109	\$ 1,494
Other salaries of instruction	280,297	46,913	327,210	327,210	
General supplies	4,800	6,405	11,205	11,205	
Textbooks	500	(500)			
Other objects		675	675	675	
Total multiple disabilities	557,400	24,293	581,693	580,199	1,494
Resource room/center:					
Salaries of teachers	6,460,589	91,143	6,551,732	6,551,732	
Other salaries of instruction	58,357	(17,000)	41,357	40,805	552
Textbooks	2,800	(2,800)			
General supplies	27,600	(5,368)	22,232	22,146	86
Total resource room/center	6,549,346	65,975	6,615,321	6,614,683	638
Autism					
Salaries of teachers	1,318,823	(1,953)	1,316,870	1,316,870	
Other salaries of instruction	1,205,179	45,461	1,250,640	1,249,081	1,559
Purchased professional and educational services	240,000	85,481	325,481	220,906	104,575
General supplies	38,000	(23,183)	14,817	14,760	57
Total autism	2,802,002	105,806	2,907,808	2,801,617	106,191
Preschool disabilities - part time:					
Salaries of teachers	1,077,980	6,517	1,084,497	1,084,497	
Other salaries of instruction	450,507	44,814	495,321	495,321	
General supplies	16,600	1,143	17,743	16,980	763
Other Objects	500	(132)	368	360	8
Total preschool disabilities - part time	1,545,587	52,342	1,597,929	1,597,158	771
Home instruction:					
Salaries of teachers	150,000	(321)	149,679	132,241	17,438
Purchased professional - educational services	145,000	(60,570)	84,430	55,906	28,524
Total home instruction	295,000	(60,891)	234,109	188,147	45,962
Total special education	17,284,934	(287,864)	16,997,070	16,833,119	117,989
Basic skills/remedial:					
Salaries of teachers	1,111,204	(87,036)	1,024,168	962,775	61,393
Other purchased services	500	2,710	3,210		3,210
General supplies	7,610	26,353	33,963	27,110	6,853
Textbooks	1,500	(1,500)			
Total basic skills/remedial	1,120,814	(59,473)	1,061,341	989,885	71,456
Bilingual education:					
Salaries of teachers	450,666	9,676	460,342	460,342	
Other purchased services	3,200	(3,000)	200	36	164
General supplies	5,000	7,822	12,822	10,152	2,670
Textbooks	3,000	(3,000)			
Total bilingual education	461,866	11,498	473,364	470,530	2,834

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
School sponsored cocurricular and extra-curricular activities:					
Salaries	\$ 568,000	\$ (6,678)	\$ 561,322	\$ 560,401	\$ 921
Purchased professional and educational services	52,000	4,873	56,873	38,800	18,073
General supplies	97,200	(28,952)	68,248	40,414	27,834
Other objects	16,000	10,101	26,101	14,046	12,055
Total school sponsored cocurricular and extra-curricular activities	733,200	(20,656)	712,544	653,661	58,883
School sponsored athletic activities:					
Salaries	2,388,313	(2,941)	2,385,372	2,276,368	109,004
Purchased professional and educational services	811,900	(396,249)	415,651	379,570	36,081
Supplies and materials	233,500	(10,882)	222,618	202,159	20,459
Other objects	130,500	(1,734)	128,766	127,058	1,708
Total school sponsored athletic activities	3,564,213	(411,806)	3,152,407	2,985,155	167,252
Community service programs - operations					
Salaries	23,483	40	23,523	23,523	
Purchased professional and educational services	2,250		2,250		2,250
Supplies and materials	4,200	(40)	4,160	3,426	734
Other objects	1,000		1,000	750	250
Total community service programs - operations	30,933		30,933	27,699	3,234
Total - instruction	90,981,526	(1,364,491)	89,617,035	88,221,777	1,349,296
Undistributed expenditures:					
Instruction:					
Tuition to other school districts in the state-regular	50,000	(2,220)	47,780	38,986	8,794
Tuition to other school districts in the state-special	473,756	(406,703)	67,053	58,744	8,309
Tuition to county vocational-regular	37,500	1,201	38,701	37,500	1,201
Tuition to CCSD and reg. day schools	620,020	(192,340)	427,680	413,557	14,123
Tuition to private school - hand in state	2,386,864	897,773	3,284,637	3,205,461	79,176
Tuition to private school - hand out state	304,892	(7,862)	297,030	262,593	34,437
Tuition to state facilities	170,658		170,658	170,658	
Tuition - other	124,800	(34,390)	90,410	88,209	2,201
Total undistributed expenditures - instruction	4,168,490	255,459	4,423,949	4,275,708	148,241

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 250,227	\$ 10,000	\$ 260,227	\$ 226,716	\$ 33,511
Purchased professional and technical services	500	2,090	2,590	2,343	247
Total attendance and social work services	250,727	12,090	262,817	229,059	33,758
Health services:					
Salaries	2,313,861	(355)	2,313,506	2,252,943	60,563
Purchased professional and technical services	227,500	119,138	346,638	316,847	29,791
Supplies and materials	91,800	78,192	169,992	153,077	16,915
Other objects		1,230	1,230	1,230	
Total health services	2,633,161	198,205	2,831,366	2,724,097	107,269
Guidance services:					
Salaries of other professional staff	3,379,453	(104,535)	3,274,918	3,199,907	75,011
Salaries secretary/clerical assistants	768,954	(43,599)	725,355	702,236	23,119
Purchased professional educational services	7,500	8,400	15,900	14,580	1,320
Other purchased services	1,750	-	1,750	217	1,533
Supplies and materials	44,500	(10,061)	34,439	20,372	14,067
Other objects	11,300	(836)	10,464	4,873	5,591
Total guidance services	4,213,457	(150,631)	4,062,826	3,942,185	120,641
Childy study team:					
Salaries of other professional staff	2,679,075	(73,183)	2,605,892	2,605,892	
Salaries of secretarial and clerical assistants	391,318	(800)	390,518	387,421	3,097
Purchased professional educational services	60,000	109,271	169,271	138,748	30,523
Supplies and materials	28,000	7,253	35,253	29,962	5,291
Other objects	1,000	15,457	16,457	16,398	59
Total child study team	3,159,393	57,998	3,217,391	3,178,421	38,970
Speech, OT, PT and related services:					
Salaries	1,793,352	294,642	2,087,994	2,084,697	3,297
Purchased professional educational services	934,600	238,515	1,173,115	1,159,006	14,109
Supplies and materials	10,050	4,940	14,990	13,896	1,094
Total speech, OT, PT and related services	2,738,002	538,097	3,276,099	3,257,599	18,500
Other Support Services - Extraordinary					
Salaries	5,250	5,553	10,803	10,802	1
Supplies and materials	4,000	356	4,356	4,356	
Other objects	2,000	(1,120)	880	879	1
Total other support services - extraordinary	11,250	4,789	16,039	16,037	2

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Improvement of instruction services:					
Salaries of supervisors of instruction	\$ 2,588,173	\$ (8,865)	\$ 2,579,308	\$ 2,579,308	
Salaries of other prof. staff		19,930	19,930	15,455	\$ 4,475
Salaries of secretarial and clerical assistants	32,555		32,555	32,555	
Purchased professional and technical services	10,000	17,350	27,350	26,846	504
Other purchased services	6,000	(1,260)	4,740	843	3,897
Supplies and materials	10,000	(5,571)	4,429	2,155	2,274
Other objects	7,500	5,110	12,610	12,610	
Total improvement of instruction services	2,654,228	26,694	2,680,922	2,669,772	11,150
Educational media/library services:					
Salaries	1,601,675	647	1,602,322	1,557,662	44,660
Purchased professional and technical services	3,000		3,000		3,000
Other purchased services	5,000	(3,000)	2,000		2,000
Supplies and materials	141,000	(3,588)	137,412	115,631	21,781
Total educational media/library services	1,750,675	(5,941)	1,744,734	1,673,293	71,441
Instructional staff training services:					
Salaries of Other Professional Staff	37,000	(20,500)	16,500	13,359	3,141
Purchased professional - educational services	100,000	29,375	129,375	119,313	10,062
Other objects	6,000	4,205	10,205	8,044	2,161
Total instructional staff training services	143,000	13,080	156,080	140,716	15,364
Support services - general administration:					
Salaries	1,192,631	103,838	1,296,469	1,251,854	44,615
Legal Fees	240,000	49,600	289,600	272,738	16,862
Audit Services	90,000	(6,875)	83,125	83,125	
Architectural/engineering services	90,000	86,449	176,449	147,581	28,868
Other purchased professional services	95,000	(14,525)	80,475	59,568	20,907
Communications/telephone	625,000	34,031	659,031	418,665	240,366
BOE other purchased services	7,500		7,500	872	6,628
Miscellaneous purchased services	104,581	413,255	517,836	487,097	30,739
General supplies	21,500	332	21,832	14,638	7,194
BOE In-house training/meeting supplies	5,000		5,000	3,715	1,285
Judgments against school district	40,000	16,500	56,500	30,000	26,500
Miscellaneous expenditures	58,500	(1,403)	57,097	49,943	7,154
Board of education membership dues and fees	28,000	(1,000)	27,000	26,663	337
Total support services - general administration	2,597,712	680,202	3,277,914	2,846,459	431,455
Support services - school administration:					
Salaries of principals/asst. principals	4,660,540	80,402	4,740,942	4,654,243	86,699
Salaries of secretarial and clerical assistants	2,515,805	(5,118)	2,510,687	2,443,394	67,293
Purchased professional and technical services	2,000	(2,000)			
General supplies	57,500	25,491	82,991	60,710	22,281
Other objects	50,600	137,280	187,880	135,714	52,166
Total support services - school administration	7,286,445	236,055	7,522,500	7,294,061	228,439

Toms River Township School District
General Fund

Budgetary Comparison Schedule

(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Central services:					
Salaries	\$ 1,894,049	\$ (14,301)	\$ 1,879,748	\$ 1,879,729	\$ 19
Purchased prof. services		5,000	5,000	5,000	
Purchased technical services	20,000	470	20,470	18,482	1,988
Miscellaneous purchased services	51,600	(18,792)	32,808	24,137	8,671
Supplies and materials	84,990	18,013	103,003	30,633	72,370
Interest on lease purchase agreements	28,500	(51)	28,449	28,257	192
Miscellaneous expenditures	21,750	6,614	28,364	26,645	1,719
Total central services	2,100,889	(3,047)	2,097,842	2,012,883	84,959
Administrative information technology:					
Salaries	1,193,294	33,165	1,226,459	1,224,080	2,379
Purchased professional and educational services	11,500	12,735	24,235	24,235	
Purchased technical services	300,000	(31,250)	268,750	245,954	22,796
Other purchased services	2,700	(1,309)	1,391	1,344	47
Supplies and materials	105,300	(33,215)	72,085	62,975	9,110
Other objects	43,300	6,761	50,061	47,055	3,006
Total administrative information technology	1,656,094	(13,113)	1,642,981	1,605,643	37,338
Required maintenance for school facilities:					
Salaries	2,243,572	148,552	2,392,124	2,392,124	
Cleaning, repair & maint. services	375,500	355,065	730,565	615,066	115,499
General supplies	345,000	(10,320)	334,680	283,978	50,702
Other objects	23,000	(12,635)	10,365	7,957	2,408
Total required maintenance for school facilities	2,987,072	480,662	3,467,734	3,299,125	168,609
Custodial services:					
Salaries	5,529,005	(51,217)	5,477,788	5,426,887	50,901
Salaries of non-instructional aids	386,988	(4,000)	382,988	349,455	33,533
Purchased professional & technical services	637,800		637,800	637,800	
Cleaning, repair & maint. services	335,200	30,023	365,223	328,220	37,003
Other purchased property services	450,000	15,542	465,542	455,634	9,908
Insurance	770,021	(186,331)	583,690	552,609	31,081
Travel		1,500	1,500	32	1,468
Misc. purchased services	26,500	(26,010)	490		490
General supplies	510,000	(124,292)	385,708	350,784	34,924
Energy (electricity)	2,690,000	342,661	3,032,661	2,480,850	551,811
Energy (natural gas)	1,100,000	2,582	1,102,582	834,525	268,057
Other objects	58,500	3,284	61,784	45,142	16,642
Total custodial services	12,494,014	3,742	12,497,756	11,461,938	1,035,818
Care & upkeep of grounds:					
Salaries	1,115,611	72,592	1,188,203	1,188,203	
Cleaning, repair & maint. services	70,000	17,179	87,179	76,332	10,847
General supplies	175,000	12,395	187,395	147,065	40,330
Other objects	20,000	(3,336)	16,664	13,930	2,734
Total care & upkeep of grounds	1,380,611	98,830	1,479,441	1,425,530	53,911
Security:					
Salaries	1,085,929	(4,338)	1,081,591	1,075,782	5,809
Cleaning, repair, and maintenance services	25,000	(15,600)	9,400		9,400
General supplies	25,000	8,025	33,025	25,912	7,113
Other objects	12,500	(10,000)	2,500	1,595	905
Total security	1,148,429	(21,913)	1,126,516	1,103,289	23,227
Student transportation services:					
Salaries for pupil trans. - regular	5,137,435	31,223	5,168,658	5,168,658	
Salaries for pupil trans. - special ed.	2,560,497	(67,123)	2,493,374	2,493,374	
Salaries for pupil trans. - (other than between home and school)	200,000	(27,583)	172,417	172,417	
Cleaning, Repair and Maintenance Services	30,900	47,716	78,616	40,811	37,805
Lease Purchase Payments - School Buses	80,000	(80,000)			
Contracted Services - Btwn Home & School - Vendors	475,000	(115,000)	360,000	319,874	40,126
Contracted Services - Other Than Btwn Home & School - Vendors	25,000	(23,412)	1,588		1,588
Between Home and School - Joint Service Agreements	10,000	(1,202)	8,798	385	8,413
Contracted Services - Special Ed Stds - Vendors	1,300,000	(129,244)	1,170,756	1,014,556	156,200
Contracted Services - Special Ed Stds - Joint Agreements	80,000	(4,852)	75,148	75,148	
Regular Students - ESC	12,500	(12,500)			
Special Students - ESC	125,000	98,049	223,049	214,252	8,797
Contracted Services - Aid in Lieu of Payments	145,000	448	145,448	142,810	2,638
Other Purchased Services	160,000	(85,060)	74,940	66,945	7,995
Transportation Supplies	690,000	302,204	992,204	843,032	149,172
Supplies and Materials	21,110	(6,216)	14,894	14,634	260
Other Objects	1,500,500	(1,500,500)			
Miscellaneous		1,118,021	1,118,021	984,621	133,400
Total student transportation services	12,552,942	(455,031)	12,097,911	11,551,517	546,394

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Personnel services - unallocated employee benefits:					
Social Security Contributions	\$ 3,400,000	\$ (435,000)	\$ 2,965,000	\$ 2,866,789	\$ 98,211
TPAF Contributions - ERIP	100,000	5,945	105,945	104,691	1,254
Other Retirement Contributions - PERS	3,441,801	39,695	3,481,496	3,481,495	1
Other Retirement Contribution - Deferred PERS	157,144	(11,002)	146,142	146,142	
Worker's Compensation	1,658,813	577,502	2,236,315	2,225,050	11,265
Health Benefits	43,935,000	369,420	44,304,420	44,081,012	223,408
Tuition Reimbursement	60,000	(1,673)	58,327	27,336	30,991
Other Employee Benefits	2,030,000	(124,105)	1,905,895	1,768,145	137,750
Total personnel services - unallocated employee benefits	54,782,758	420,782	55,203,540	54,700,660	502,880
On-behalf payments:					
Reimbursed TPAF social security contributions				6,828,278	(6,828,278)
Reimbursed TPAF post retirement medical				7,601,476	(7,601,476)
Reimbursed TPAF pension contributions				4,788,330	(4,788,330)
Total on-behalf payments				19,218,084	(19,218,084)
Total undistributed expenditures	120,709,349	2,377,009	123,086,358	138,626,076	(15,578,688)
Total expenditures - current	211,690,875	1,012,518	212,703,393	226,847,853	(14,229,392)
Capital Outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	100,000	18,363	118,363	115,430	2,933
Grades 6-8	24,000	(12,466)	11,534	11,370	164
Grades 9-12	53,500	7,024	60,524	25,606	34,918
Special education - instruction:					
Multiple disabilities	4,000	28,222	32,222	25,934	6,288
Autism	4,000	(4,000)			
Preschool disabilities - part time	4,000	3,150	7,150	6,988	162
School sponsored & other instructional programs	9,000	12,008	21,008	21,007	1
Undistributed expenditures:					
Support services- students - reg.		7,786	7,786	7,786	
Instructional Staff Training	6,000	6,000	12,000	3,995	8,005
General administration	4,000	(702)	3,298	3,298	
School administration	18,000	(4,846)	13,154	2,754	10,400
Central services	8,000	(7,054)	946		946
Administrative information technology	389,807	89,997	479,804	335,922	143,882
Maintenance of school facility	22,000	62,669	84,669	51,103	33,566
Custodial services	27,000	(14,616)	12,384	12,232	152
Care & upkeep of grounds	20,000	(5,980)	14,920	14,915	5
Security	20,000	(16,973)	3,027		3,027
Non-instructional equipment	42,000	(40,216)	1,784	1,635	149
School buses - regular		600,310	600,310		600,310
Total equipment	755,307	729,576	1,484,883	639,975	844,908
Facilities acquisition and construction services:					
Architectural/engineering services	92,500	(20,000)	72,500	72,200	300
Purchased professional and technical		35,562	35,562	14,704	20,858
Construction services	1,732,500	195,300	1,927,800	904,660	1,023,140
Assessment of Debt Service SDA funding	371,261		371,261	371,261	
Total facilities acquisition and construction svcs.	2,196,261	210,862	2,407,123	1,362,825	1,044,298
Assets acquired under capital leases (non budgeted)					
				1,651,236	(1,651,236)
Total capital outlay	2,951,568	940,438	3,892,006	3,654,036	237,970
Special Schools:					
Summer school - instruction:					
Salaries of teachers	37,500		37,500	26,635	10,865
General supplies	500		500		500
Other objects	1,000		1,000		1,000
Total summer school - instruction	39,000		39,000	26,635	12,365

Toms River Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	2015 Actual	Variance Final to Actual
Total special schools	\$ 39,000		\$ 39,000	\$ 26,635	\$ 12,365
Contribution to charter schools	10,000	\$ (10,000)			
Total expenditures	214,691,443	1,942,956	216,634,399	230,528,524	(13,979,057)
(Deficiency) excess of revenues (under) over expenditures	(3,282,572)	(1,942,956)	(5,225,528)	1,526,486	6,667,082
Other financing sources:					
Return on Investment from enterprise funds	112,282		112,282	112,282	
Capital lease proceeds				1,651,236	1,651,236
CDL Loan	411,148		411,148	411,148	
Total other financing sources	523,430		523,430	2,174,666	1,651,236
Extraordinary Item -Restitution proceeds				589,976	589,976
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(2,759,142)	(1,942,956)	(4,702,098)	4,291,128	8,908,294
Fund balances, July 1	17,167,381		17,167,381	17,167,381	
Fund balances, June 30	14,408,239	(1,942,956)	12,465,283	21,458,509	8,908,294
Recapitulation of (deficiency) of revenues (under) expenditures and other financing sources					
Budgeted fund balance	\$ (1,184,142)		\$ (1,184,142)	\$ 6,234,084	\$ 8,908,294
Withdrawal Capital Reserve	(1,575,000)		(1,575,000)		
Adjustment for prior year encumbrances		\$ (1,942,956)	(1,942,956)	(1,942,956)	
Total	\$ (2,759,142)	\$ (1,942,956)	\$ (4,702,098)	\$ 4,291,128	\$ 8,908,294
Recapitulation:					
Restricted - excess surplus - current year				\$ 1,062,691	
Restricted - excess surplus - prior year designated for subsequent years				403,454	
Assigned-designated for subsequent years				796,546	
Assigned-designated for subsequent years (SEMI ARRA)				105,506	
Year end encumbrances				2,861,669	
Capital reserve-restricted				4,023,926	
Maintenance reserve-restricted				6,647,730	
Emergency reserve				704,964	
Unassigned fund balance				4,852,023	
				21,458,509	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid payments not recognized on GAAP basis				(6,699,667)	
Fund balance per Governmental Funds (GAAP)				\$ 14,758,842	

Toms River Regional School District
General Fund

Community Development Block Grant
Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources:					
Community Development Block Grant	\$ 9,000,000		\$ 9,000,000	\$ 9,000,000	
Total - federal sources	9,000,000		9,000,000	9,000,000	
Expenditures					
Instruction - regular programs:					
Salaries of teachers:					
Grades 1-5	5,195,076		5,195,076	5,195,076	
Grades 6-8	2,728,182		2,728,182	2,728,182	
Grades 9-12	1,076,742		1,076,742	1,076,742	
Total expenditures	9,000,000		9,000,000	9,000,000	
Fund balances, July 1					
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

Toms River Regional School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 5,174,925	\$ 1,138,815	\$ 6,313,740	\$ 6,132,395	\$ (181,345)
State Sources	1,236,379	(428,084)	808,295	703,104	(105,191)
Local Sources	274,606	102,971	377,577	193,788	(183,789)
Total revenues	<u>6,685,910</u>	<u>813,702</u>	<u>7,499,612</u>	<u>7,029,287</u>	<u>(470,325)</u>
Expenditures:					
Instruction:					
Salaries of teachers	466,878	1,187,056	1,653,934	1,643,273	10,661
Purchased professional educational services		104,514	104,514	101,955	2,559
Other purchased services	3,166,406	383,411	3,549,817	3,544,222	5,595
Travel		1,601	1,601	465	1,136
General supplies	1,846,883	(1,364,935)	481,948	304,585	177,363
Textbooks	82,668	5,928	88,596	88,188	408
Other objects		4,782	4,782	1,632	3,150
Total instruction	<u>5,562,835</u>	<u>322,357</u>	<u>5,885,192</u>	<u>5,684,320</u>	<u>200,872</u>
Support services:					
Salaries of supervisors of instruction		68,468	68,468	68,468	
Personal services—employee benefits		513,742	513,742	513,742	
Purchased professional educational services	1,123,075	(120,452)	1,002,623	735,163	267,460
Other purchased services		516	516		516
Supplies and materials		929	929	929	
Other Objects		16,915	16,915	16,341	574
Total support services	<u>1,123,075</u>	<u>480,118</u>	<u>1,603,193</u>	<u>1,334,643</u>	<u>268,550</u>
Capital Outlay					
Buildings		903	903		903
Instructional Equipment		10,324	10,324	10,324	
Total capital outlay		<u>11,227</u>	<u>11,227</u>	<u>10,324</u>	<u>903</u>
Total expenditures and other financing uses	<u>6,685,910</u>	<u>813,702</u>	<u>7,499,612</u>	<u>7,029,287</u>	<u>470,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Toms River Regional School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (C-1, C-2)	\$ 232,055,010	\$ 7,029,287
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(150,423)
Prior Year		129,389
State aid payments are recognized for budgetary purposes, not recognized for GAAP statements.	(6,699,667)	
The prior year's last State aid payments are recognized for GAAP statements, not recognized for budgetary purposes.	6,666,376	
Total revenues as reported on the statement of revenues expenditures, and changes in fund balance (B-2)	\$ 232,021,719	\$ 7,008,253
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 230,528,524	\$ 7,029,287
Differences - budget to GAAP		
Encumbrances for supplies and equipment (net) 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 (net).		(21,034)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 230,528,524	\$ 7,008,253

Other Supplementary Information

Special Revenue Fund

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2015

	Title I, Part A	I.D.E.A.		Title II A	Title III
		Part B, Basic	Preschool		
Revenues:					
Federal sources	\$ 1,745,459	\$ 3,675,951	\$ 118,288	\$ 550,607	\$ 42,090
State sources					
Other sources					
Total revenues	<u>\$ 1,745,459</u>	<u>\$ 3,675,951</u>	<u>\$ 118,288</u>	<u>\$ 550,607</u>	<u>\$ 42,090</u>
Expenditures:					
Instruction:					
Salaries of teachers	\$ 1,174,219			\$ 431,336	\$ 1,743
Purchased professional educational services		\$ 97,845			2,968
Other purchased services		3,424,105	\$ 118,288		
Travel					
General supplies	82,865				37,379
Textbooks					
Other objects					
Total instruction	<u>1,257,084</u>	<u>3,521,950</u>	<u>118,288</u>	<u>431,336</u>	<u>42,090</u>
Support services:					
Salaries of other professional staff	68,468				
Personal services—employee benefits	401,842			111,900	
Purchased professional educational services	4,102	154,001		6,490	
Supplies and materials				881	
Other objects	13,963				
Total support services	<u>488,375</u>	<u>154,001</u>		<u>119,271</u>	
Facilities acquisition and construction services:					
Instructional equipment					
Total facilities acquisition and construction services					
Total expenditures	<u>\$ 1,745,459</u>	<u>\$ 3,675,951</u>	<u>\$ 118,288</u>	<u>\$ 550,607</u>	<u>\$ 42,090</u>

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2015

	New Jersey Non-Public Aid				
	Textbooks	Auxiliary Services Ch 192	Handicapped Services Ch 193	Nursing	Technology
Revenues:					
Federal sources					
State sources	\$ 88,188	\$ 187,024	\$ 242,505	\$ 141,041	\$ 44,346
Other sources					
Total revenues	<u>\$ 88,188</u>	<u>\$ 187,024</u>	<u>\$ 242,505</u>	<u>\$ 141,041</u>	<u>\$ 44,346</u>
Expenditures:					
Instruction:					
Salaries of teachers					
Purchased professional educational services					\$ 196
Other purchased services					
Travel					
General supplies					35,218
Textbooks	\$ 88,188				
Other objects					
Total instruction	<u>88,188</u>				<u>35,414</u>
Support services:					
Salaries of other professional staff					
Personal services—employee benefits					
Purchased professional educational services		\$ 187,024	\$ 242,505	\$ 141,041	
Supplies and materials					
Other objects					2,378
Total support services		<u>187,024</u>	<u>242,505</u>	<u>141,041</u>	<u>2,378</u>
Facilities acquisition and construction services:					
Instructional equipment					6,554
Total facilities acquisition and construction services					<u>6,554</u>
Total expenditures	<u>\$ 88,188</u>	<u>\$ 187,024</u>	<u>\$ 242,505</u>	<u>\$ 141,041</u>	<u>\$ 44,346</u>

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2015

	<u>OC Jail</u>	<u>Pine Beach Donation</u>	<u>North Dover Donation</u>	<u>Walnut Street Donation</u>	<u>East Dover Donation</u>	<u>South Toms River Donation</u>
Revenues:						
Federal sources						
State sources						
Other sources	\$ 20,978	\$ 4,888	\$ 10,123	\$ 11,278	\$ 17,435	\$ 8,291
Total revenues	<u>\$ 20,978</u>	<u>\$ 4,888</u>	<u>\$ 10,123</u>	<u>\$ 11,278</u>	<u>\$ 17,435</u>	<u>\$ 8,291</u>
Expenditures:						
Instruction:						
Salaries of teachers	\$ 20,930					
Purchased professional educational services						
Other purchased services						
Travel						
General supplies		\$ 1,118	\$ 10,123	\$ 11,278	\$ 17,435	\$ 8,291
Textbooks						
Other objects						
Total instruction	<u>20,930</u>	<u>1,118</u>	<u>10,123</u>	<u>11,278</u>	<u>17,435</u>	<u>8,291</u>
Support services:						
Salaries of other professional staff						
Personal services–employee benefits						
Purchased professional educational services						
Supplies and materials	48					
Other objects						
Total support services	<u>48</u>					
Facilities acquisition and construction services:						
Instructional equipment		<u>3,770</u>				
Total facilities acquisition and construction services		<u>3,770</u>				
Total expenditures	<u>\$ 20,978</u>	<u>\$ 4,888</u>	<u>\$ 10,123</u>	<u>\$ 11,278</u>	<u>\$ 17,435</u>	<u>\$ 8,291</u>

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2015

	<u>Cedar Grove Donation</u>	<u>Beachwood Donation</u>	<u>Orchestra Donation</u>	<u>Tech Foundation Donation</u>	<u>Athletics Navy/Marine Donation</u>	<u>Various Local Grants</u>	<u>Total</u>
Revenues:							
Federal sources							\$ 6,132,395
State sources							703,104
Other sources	\$ 8,820	\$ 9,997	\$ 6,727	\$ 58,380	\$ 20,775	\$ 16,096	193,788
Total revenues	<u>\$ 8,820</u>	<u>\$ 9,997</u>	<u>\$ 6,727</u>	<u>\$ 58,380</u>	<u>\$ 20,775</u>	<u>\$ 16,096</u>	<u>\$ 7,029,287</u>
Expenditures:							
Instruction:							
Salaries of teachers					\$ 15,045		\$ 1,643,273
Purchased professional educational services					946		101,955
Other purchased services					1,829		3,544,222
Travel					465		465
General supplies	\$ 8,820	\$ 9,997	\$ 6,727	\$ 58,380	858	\$ 16,096	304,585
Textbooks							88,188
Other objects					1,632		1,632
Total instruction	<u>8,820</u>	<u>9,997</u>	<u>6,727</u>	<u>58,380</u>	<u>20,775</u>	<u>16,096</u>	<u>5,684,320</u>
Support services:							
Salaries of other professional staff							68,468
Personal services–employee benefits							513,742
Purchased professional educational services							735,163
Supplies and materials							929
Other objects							16,341
Total support services							<u>1,334,643</u>
Facilities acquisition and construction services:							
Instructional equipment							<u>10,324</u>
Total facilities acquisition and construction services							<u>10,324</u>
Total expenditures	<u>\$ 8,820</u>	<u>\$ 9,997</u>	<u>\$ 6,727</u>	<u>\$ 58,380</u>	<u>\$ 20,775</u>	<u>\$ 16,096</u>	<u>\$ 7,029,287</u>

Fiduciary Funds

Toms River Regional School District
Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2015

	Trust			Agency			
	Private Purpose Scholarship Funds	Unemployment Compensation	Totals	Student Activity	Payroll	Class Trust Fund	Totals
Assets							
Cash and cash equivalents	\$ 60,593	\$ 5,562,421	\$ 5,623,014	\$ 657,063	\$6,127,794	\$ 34,072	\$ 6,818,929
Total assets	60,593	5,562,421	5,623,014	657,063	6,127,794	34,072	6,818,929
Liabilities							
Payroll deductions and withholdings payable					\$6,127,794		\$ 6,127,794
Accounts payable		95,462	95,462				
Due to class funds						\$ 34,072	34,072
Due to student groups				\$ 657,063			657,063
Total liabilities		95,462	95,462	657,063	6,127,794	34,072	6,818,929
Net position							
Held in trust for unemployment benefits		5,466,959	5,466,959				
Held in trust for scholarships	60,593		60,593				
Total net position	\$ 60,593	\$ 5,466,959	\$ 5,527,552				

Toms River Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
MIDDLE SCHOOLS:				
Intermediate North	\$ 18,426	\$ 44,064	\$ 35,608	\$ 26,882
Intermediate East	88,241	58,149	45,659	100,731
Intermediate South	34,237	80,226	72,881	41,582
	<u>\$ 140,904</u>	<u>\$ 182,439</u>	<u>\$ 154,148</u>	<u>\$ 169,195</u>
HIGH SCHOOLS:				
High School East	\$ 172,166	\$ 453,746	\$ 434,914	\$ 190,998
High School North	140,929	371,295	373,815	138,409
High School South	161,970	294,414	297,923	158,461
	<u>\$ 475,065</u>	<u>\$ 1,119,455</u>	<u>\$ 1,106,652</u>	<u>\$ 487,868</u>
Total all schools	<u>\$ 615,969</u>	<u>\$ 1,301,894</u>	<u>\$ 1,260,800</u>	<u>\$ 657,063</u>

Toms River Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Assets				
Cash and cash equivalents	\$ 5,456,205	\$ 158,319,079	\$ 157,647,490	\$ 6,127,794
Total assets	<u>\$ 5,456,205</u>	<u>\$ 158,319,079</u>	<u>\$ 157,647,490</u>	<u>\$ 6,127,794</u>
Liabilities				
Payroll deductions and withholdings payable	\$ 5,433,021	\$ 158,319,079	\$ 157,624,306	\$ 6,127,794
Accounts payable	23,184		23,184	
Total liabilities	<u>\$ 5,456,205</u>	<u>\$ 158,319,079</u>	<u>\$ 157,647,490</u>	<u>\$ 6,127,794</u>

Toms River Regional School District
Class Trust Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
HIGH SCHOOLS:				
High School North	\$ 7,933	\$ 8	\$ 12	\$ 7,929
High School South	26,821	26	704	26,143
Total all schools	\$ 34,754	\$ 34	\$ 716	\$ 34,072

Long-Term Debt

Toms River Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Retired	Balance June 30, 2015
			Date	Amount				
Schools Refunding bonds	4/1/2003	\$ 27,244,000	7/15/2015	\$ 990,000	4.00%	\$ 1,935,000	\$ 945,000	\$ 990,000
ERI Bonds	11/4/2004	24,525,000	7/15/2015	660,000	4.74	1,300,000	640,000	660,000
Schools Refunding bonds	3/1/2007	12,440,000	1/15/2016	1,215,000	5.00			
			1/15/2017	1,290,000	5.00			
			1/15/2018	1,370,000	4.50			
			1/15/2019	1,435,000	4.50			
			1/15/2020	1,500,000	4.50			
			1/15/2021	1,585,000	4.50	9,555,000	1,160,000	8,395,000
Schools Refunding bonds	4/20/2009	15,790,000	7/15/2015	1,135,000	2.25			
			7/15/2016	1,175,000	3.00			
			7/15/2017	1,220,000	3.25			
			7/15/2018	1,275,000	3.50			
			7/15/2019	1,335,000	3.63			
			7/15/2020	1,375,000	3.75			
			7/15/2021	1,425,000	3.88			
			7/15/2022	1,485,000	4.00	11,510,000	1,085,000	10,425,000
Schools Refunding bonds	12/27/2012	17,635,000	7/15/2015	15,000	4.00			
			7/15/2016	1,045,000	4.00			
			7/15/2017	1,080,000	4.00			
			7/15/2018	1,125,000	4.00			
			7/15/2019	1,180,000	4.13			
			7/15/2020	1,235,000	4.25			
			7/15/2021	1,285,000	4.00			
			7/15/2022	1,345,000	4.30			
			7/15/2023	1,395,000	4.40			
			7/15/2024	1,455,000	4.50			
			7/15/2025	1,515,000	4.50			
			7/15/2026	1,580,000	4.50			
			7/15/2027	1,645,000	4.50			
			7/15/2028	1,710,000	4.50	17,625,000	15,000	17,610,000
Schools Refunding bonds	5/23/2013	20,365,000	7/15/2015	285,000	4.80			
			7/15/2016	950,000	4.80			
			7/15/2017	945,000	5.10			
			7/15/2018	950,000	5.10			
			7/15/2019	960,000	5.10			
			7/15/2020	965,000	5.13			
			7/15/2021	2,690,000	5.15			
			7/15/2022	2,760,000	5.20			
			7/15/2023	4,490,000	5.20			
			7/15/2024	4,630,000	5.25	19,905,000	280,000	19,625,000
						<u>\$ 61,830,000</u>	<u>\$ 4,125,000</u>	<u>\$ 57,705,000</u>

Toms River Regional School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2015

Series	Amount of Original Issue	Balance July 1, 2014	Issued Current Year	Retired Current Year	Balance June 30, 2015
Municipal Capital Corp.- Multiple Locations	\$ 59,271	\$ 52,518		\$ 14,043	\$ 38,475
Municipal Capital Corp. - Superintendents Office	21,815	6,429		6,429	
Municipal Capital Corp. - Various	79,597	39,767		17,985	21,782
Municipal Capital Corp. - Central Athletics	6,415	5,822		1,490	4,332
Municipal Capital Corp. - Various	12,860	3,215		3,215	
1st Niagara - Technology	750,000	307,347		151,848	155,499
TD Equipment	750,000	677,365		146,820	530,545
TD Equipment	700,000	495,074		138,887	356,187
TD Equipment	1,700,000		\$ 1,700,000	332,064	1,367,936
TD Equipment	1,700,000		1,700,000		1,700,000
		<u>\$ 1,587,537</u>	<u>\$ 3,400,000</u>	<u>\$ 812,781</u>	<u>\$ 4,174,756</u>

Toms River Regional School District
Long-Term Debt

Schedule of Notes Payable

Year ended June 30, 2015

	Interest Rate	Amount of Original Issue	Balance July 1, 2014	Retired Current Year	Balance June 30, 2015
CREBS - November 19, 2008	1.15%	\$ 2,742,510	\$ 1,645,506	\$ 182,834	\$ 1,462,672
			<u>\$ 1,645,506</u>	<u>\$ 182,834</u>	<u>\$ 1,462,672</u>

Toms River Regional School District
Long-Term Debt

Schedule of Deferred Pension Obligation

Year ended June 30, 2015

	Interest Rate	Amount of Original Issue	Balance July 1, 2014	Retired Current Year	Balance June 30, 2015
Deferred Pension Obligation	8.25%	\$ 1,144,755	\$ 1,012,367	\$ 51,913	\$ 960,454
			<u>\$ 1,012,367</u>	<u>\$ 51,913</u>	<u>\$ 960,454</u>

Toms River Regional School District
Long-Term Debt

Schedule of Community Disaster Loan (CDL)

Year ended June 30, 2015

	Interest Rate	Amount of Issue	Balance July 1, 2014	Issued Current Year	Balance June 30, 2015
Community Disaster Loan (CDL)	1.50%	\$ 5,000,000	\$ 4,588,852	\$ 411,148	\$ 5,000,000
			<u>\$ 4,588,852</u>	<u>\$ 411,148</u>	<u>\$ 5,000,000</u>

Toms River Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local tax levy	\$ 6,151,510		\$ 6,151,510	\$ 6,151,510	
Miscellaneous				9,461	\$ 9,461
State sources:					
Debt Service Aid	349,895		349,895	349,895	
Total revenues	<u>6,501,405</u>		<u>6,501,405</u>	<u>6,510,866</u>	<u>9,461</u>
Expenditures:					
Principal on CREBs	182,834		182,834	182,834	
Prncipal on bonds	3,485,000		3,485,000	3,485,000	
Principal on ERI bonds	640,000		640,000	640,000	
Interest on ERI	559,368		559,368	559,368	
Interest on bonds	1,652,346		1,652,346	1,652,346	
Total expenditures	<u>6,519,548</u>		<u>6,519,548</u>	<u>6,519,548</u>	
(Deficiency) of revenues (under) expenditures	(18,143)		(18,143)	(8,682)	9,461
Fund balance, July 1	165,684		165,684	165,684	-
Fund balance, June 30	<u>\$ 147,541</u>	<u>\$ -</u>	<u>\$ 147,541</u>	<u>\$ 157,002</u>	<u>\$ 9,461</u>

Statistical Section

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

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

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

	JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:			(as restated)							
Net Investment in Capital Assets	\$ 105,202,765	\$ 107,466,300	\$ 106,170,502	\$ 118,369,561	\$ 45,783,902	\$ 47,172,494	\$ 45,657,155	\$ 45,301,064	\$ 49,367,861	\$ 39,150,102
Restricted	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319	7,211,394	13,178,624	15,105,594
Unrestricted (deficit)	(106,964,540)	(29,043,889)	(18,654,892)	(8,623,810)	(13,046,576)	(3,591,545)	(4,543,377)	718,543	9,831,404	23,954,221
Total Governmental Activities										
Net Position	\$ 11,080,990	\$ 87,812,702	\$ 93,504,194	\$ 109,951,550	\$ 33,080,138	\$ 43,945,148	\$ 42,264,097	\$ 53,231,001	\$ 72,377,889	\$ 78,209,917
Business-Type Activities:										
Net Investment in Capital Assets	\$ 9,333,216	\$ 9,451,339	\$ 9,782,088	\$ 8,735,666	\$ 6,406,443	\$ 6,553,808	\$ 6,230,000	\$ 99,152	\$ 5,956,740	
Unrestricted	1,674,628	2,320,105	2,245,021	3,232,844	3,592,818	3,724,150	3,375,546	8,719,284	2,003,817	8,442,046
Total Business-Type Activities										
Net Position	\$ 11,007,844	\$ 11,771,444	\$ 12,027,109	\$ 11,968,510	\$ 9,999,261	\$ 10,277,958	\$ 9,605,546	\$ 8,818,436	\$ 7,960,557	\$ 8,442,046
Government-Wide:										
Net Investment in Capital Assets	\$ 114,535,981	\$ 116,917,639	\$ 115,952,590	\$ 127,105,227	\$ 52,190,345	\$ 53,726,302	\$ 51,887,155	\$ 45,400,216	\$ 55,324,601	\$ 39,150,102
Restricted	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319	7,211,394	13,178,624	15,105,594
Unrestricted (deficit)	(105,289,912)	(26,723,784)	(16,409,871)	(5,390,966)	(9,453,758)	132,605	(1,167,831)	9,437,827	11,835,221	32,396,267
Total District Net Position	\$ 22,088,834	\$ 99,584,146	\$ 105,531,303	\$ 121,920,060	\$ 43,079,399	\$ 54,223,106	\$ 51,869,643	\$ 62,049,437	\$ 80,338,446	\$ 86,651,963

Source :CAFR Schedule A-1

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

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$76,825,980. This amount is not reflected in the June 30, 2014 Net Position, above.

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

FISCAL YEAR ENDING JUNE 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:			(as restated)							
Governmental Activities										
Instruction:										
Regular	\$ 139,814,483	\$ 123,114,654	\$ 121,909,028	\$ 65,935,727	\$ 66,235,265	\$ 96,723,532	\$ 91,725,377	\$ 93,536,032	\$ 89,870,917	\$ 89,556,944
Special Education	23,825,273	16,319,752	15,511,096	14,817,304	13,913,417	20,409,347	18,581,171	18,536,995	4,738,050	16,150,927
Other Special Education	1,648,562	1,383,970	1,453,892	1,323,853	1,378,203	2,085,579	1,936,770	2,177,419	12,826,617	
Vocational				1,564,781	1,515,261	2,633,777	2,648,657	2,903,990	2,852,252	2,777,819
School Sponsored/Other Instructional	2,985,155	2,806,100	3,730,381	3,699,586	4,006,264	8,041,855	7,839,463	7,973,294	14,302,033	10,098,312
Adult Continuing Education Programs			17,637	28,290	23,848	39,201	31,901	6,739	33,604	24,872
Support Services:										
Tuition	4,328,874	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954	1,985,607	1,321,587	966,270
Student & Instruction Related Services	10,560,935	12,342,624	19,031,847	18,415,334	18,713,173	25,149,439	23,444,250	24,040,993	22,942,557	21,441,454
General Administration	3,712,059	2,519,575	2,238,220	1,913,430	2,237,326	15,757,271	2,904,801	3,195,660	3,300,177	10,939,577
School Administrative Services	12,988,419	11,725,998	10,032,174	10,017,867	10,150,928	3,314,477	14,759,196	14,628,839	15,889,798	2,335,418
Plant Operations & Maintenance	28,494,762	24,909,297	17,129,935	15,818,621	17,263,493	24,895,033	24,101,000	24,340,331	23,474,472	21,993,067
Pupil Transportation	16,255,165	17,617,143	11,695,418	11,314,786	10,923,759	16,639,502	16,955,034	17,762,071	17,054,409	16,028,153
Other Support Services	19,794,456	20,844,273	21,193,367	73,236,252	68,558,277	-	-	-	101	2,292,321
Special Schools	42,164	43,489	31,000	26,900	42,143	69,862	80,057	82,316	98,019	79,423
Interest on Long-Term Debt	2,394,907	2,672,509	2,544,895	3,085,116	4,221,619	3,255,648	3,428,108	3,922,942	4,527,522	3,892,388
Unallocated Depreciation			8,666,231	8,174,831	5,747,264	3,077,096	4,731,200	4,719,971	5,217,244	5,070,202
Unallocated Amortization			9,255							
Total Governmental Activities Expenses	266,845,214	240,423,595	238,342,581	232,357,987	227,001,141	222,759,217	215,554,939	219,813,199	218,449,359	203,647,147
Business-Type Activities:										
Food Service	4,637,519	5,187,151	5,469,971	5,185,881	5,113,640	4,713,932	4,922,710	4,820,133	5,175,046	4,465,204
Corporate Center	907,582	749,028	799,006	817,782	924,024	926,541	982,127	956,268	1,120,698	911,371
Day Care Center	862,347	827,779	747,396	811,474	700,641	463,157	329,499	316,141	296,583	263,011
Bennett Complex	680,839	317,332	278,982	271,046						
Pine Belt Arena	693,480	287,525	217,684	276,295	324,514	370,161	626,118	311,310	2,803,277	3,138,874
Total Business-Type Activities Expenses	7,781,767	7,368,815	7,513,039	7,362,478	7,062,819	6,473,791	6,860,454	6,403,852	9,395,604	8,778,460
Total District Expenses	\$ 274,626,981	\$ 247,792,410	\$ 245,855,620	\$ 239,720,465	\$ 234,063,960	\$ 229,233,008	\$ 222,415,393	\$ 226,217,051	\$ 227,844,963	\$ 212,425,607

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	(as restated)									
Program Revenues:										
Operating Grants & Contributions	\$ 6,997,929	\$ 6,909,414	\$ 8,445,687	\$ 7,752,618	\$ 9,867,886	\$ 12,808,646	\$ 8,068,901	\$ 8,438,597	\$ 8,558,685	\$ 8,429,629
Charges for services	1,109,587	1,375,757	1,325,068							
Capital grants & contributions	10,324	33,279								
Total Governmental Activities Program Revenues	8,117,840	8,318,450	9,770,755	7,752,618	9,867,886	12,808,646	8,068,901	8,438,597	8,558,685	8,429,629
Business-Type Activities:										
Charges for Services:										
Food Service	2,435,298	2,636,196	2,872,395	3,099,881	3,386,422	3,372,171	3,836,181	3,627,630	3,555,113	3,496,677
Corporate Center	1,036,502	1,022,375	763,881	667,877	631,684	937,439	787,549	911,139	808,487	776,522
Day Care Center	785,564	839,809	745,589	722,030	707,876	443,058	443,142	434,852	3,149,057	337,159
Bennett Complex	379,110	388,887	336,464	366,712	-	-	-	-	-	-
Pine Belt Arena	313,868	390,492	303,249	356,569	735,439	842,228	1,000,306	946,880	374,901	2,879,336
Operating Grants & Contributions	2,022,935	1,986,596	2,022,890	1,877,730	1,831,685	1,548,918	1,426,278	1,154,680	1,091,843	1,060,798
Total Business Type Activities Program Revenues	6,973,277	7,264,355	7,044,468	7,090,799	7,293,106	7,143,814	7,493,456	7,075,181	8,979,401	8,550,492
Total District Program Revenues	\$ 15,091,117	\$ 15,582,805	\$ 16,815,223	\$ 14,843,417	\$ 17,160,992	\$ 19,952,460	\$ 15,562,357	\$ 15,513,778	\$ 17,538,086	\$ 16,980,121
Net (Expense)/Revenue:										
Governmental Activities	\$ (258,727,374)	\$ (232,105,145)	\$ (228,571,826)	\$ (224,605,369)	\$ (217,133,255)	\$ (209,950,571)	\$ (207,486,038)	\$ (211,374,602)	\$ (209,890,674)	\$ (195,217,518)
Business-Type Activities	(808,490)	(104,460)	(468,571)	(271,679)	230,287	670,023	633,002	671,329	(416,203)	(227,968)
Total District-Wide Expense	\$ (259,535,864)	\$ (232,209,605)	\$ (229,040,397)	\$ (224,877,048)	\$ (216,902,968)	\$ (209,280,548)	\$ (206,853,036)	\$ (210,703,273)	\$ (210,306,877)	\$ (195,445,486)

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

FISCAL YEAR ENDING JUNE 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
			(as restated)							
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 132,197,482	\$ 118,518,706	\$ 132,719,175	\$ 131,104,192	\$ 126,219,467	\$ 115,800,000	\$ 111,634,746	\$ 107,722,170	\$ 104,580,126	\$ 102,055,793
Taxes Levied for Debt Service	6,151,510	6,230,678	6,406,267	6,303,660	6,427,760	6,661,616	4,065,852	2,905,077	5,696,185	4,934,395
Unrestricted Grants & Contributions	118,915,604	98,565,195	85,456,375	84,568,143	77,052,160	84,341,484	80,995,846	96,786,228	91,249,757	92,686,454
Investment Earnings	2,341	1,268	5,445	7	54,155	27,210	210,337	725,695	1,322,053	3,783,044
Miscellaneous Income	852,447	665,152	3,477,887	3,538,549	3,517,281	2,214,528	2,916,172	8,406,356	6,945,527	2,343,869
Transfers	112,282	152,280	587,084	192,280	513,209			(50,000)	265,000	(50,000)
FEMA Reimbursement			165,674							
Total Governmental Activities	258,231,666	224,133,279	228,817,907	225,706,831	213,784,032	209,044,838	199,822,953	216,495,526	210,058,648	205,753,555
Extraordinary Item	589,976	2,280,374								
Business-Type Activities:										
Investment Earnings	626	1,075	1,325	1,954	4,225	5,291	16,561	102,635	199,707	106,472
FEMA Reimbursement	73,900									
Miscellaneous Income	82,646									
Transfers	(112,282)	(152,280)	(587,084)	(192,280)	(513,209)	-	-	50,000	(265,000)	50,000
Total Business-Type Activities	44,890	(151,205)	(585,759)	(190,326)	(508,984)	5,291	16,561	152,635	(65,293)	156,472
Total District-Wide	\$ 258,276,556	\$ 223,982,074	\$ 228,232,148	\$ 225,516,505	\$ 213,275,048	\$ 209,050,129	\$ 199,839,514	\$ 216,648,161	\$ 209,993,355	\$ 205,910,027
Change in Net Position:										
Governmental Activities	\$ 94,268	\$ (5,691,492)	\$ 246,081	\$ 1,101,462	\$ (3,349,223)	\$ (905,733)	\$ (7,663,085)	\$ 5,120,924	\$ 167,974	\$ 10,536,037
Business-Type Activities	(763,600)	(255,665)	(1,054,330)	(462,005)	(278,697)	675,314	649,563	823,964	(481,496)	(71,496)
Total District	\$ (669,332)	\$ (5,947,157)	\$ (808,249)	\$ 639,457	\$ (3,627,920)	\$ (230,419)	\$ (7,013,522)	\$ 5,944,888	\$ (313,522)	\$ 10,464,541

Source: CAFR Schedule A-2

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

	JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 12,842,765	\$ 9,390,561	\$ 5,887,107	\$ 5,974,848	\$ 5,796,119	\$ 9,069,361	\$ 13,302,560	\$ 14,626,844	\$ 14,171,126	\$ 17,424,207
Assigned	1,916,077	1,110,444	2,396,538	1,364,933						
Unassigned			474,200		(1,951,224)	3,330,513	2,144,003	5,108,372	5,859,654	8,134,729
Total General Fund	\$ 14,758,842	\$ 10,501,005	\$ 8,757,845	\$ 7,339,781	\$ 3,844,895	\$ 12,399,874	\$ 15,446,563	\$ 19,735,216	\$ 20,030,780	\$ 25,558,936
All Other Governmental Funds:										
Reserved					\$ 12,799	\$ 18,272	\$ 37,020	\$ 23,300		\$ 534,079
Restricted:										
Capital Projects Fund			\$ 1,108	\$ 114,112	236,647	239,675	1,113,128	4,824,617	\$ 4,727,668	11,036,546
Debt Service Fund	\$ 157,002	\$ 165,684	100,369	91,687	106,165	106,252	171	2,386,777	5,051,021	3,534,969
Total All Other Governmental Funds	\$ 157,002	\$ 165,684	\$ 101,477	\$ 205,799	\$ 355,611	\$ 364,199	\$ 1,150,319	\$ 7,234,694	\$ 9,778,689	\$ 15,105,594

Source: CAFR Schedule B-1

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax Levy	\$ 138,348,992	\$ 124,749,384	\$ 139,125,442	\$ 137,407,852	\$ 132,647,227	\$ 122,461,616	\$ 115,700,598	\$ 107,722,170	\$ 104,580,126	\$ 106,990,188
Other Local Revenue	2,150,232	2,523,642	3,487,656	3,644,472	4,133,207	2,441,589	6,794,020	2,163,953	2,096,298	3,526,540
Restricted Grants-in-Aid - Ocean County					4,778	4,500	21,967	13,265		15,365
State Sources	88,717,248	85,733,921	87,060,718	81,872,704	76,746,160	84,137,134	82,176,131	92,094,702	89,933,799	91,556,147
Federal Revenue	9,501,970	12,831,274	353,171	2,695,439	301,222		6,866,649		17,465	6,876,390
Subtotal	238,718,442	225,838,221	230,026,987	225,620,467	213,832,594	209,044,839	211,559,365	201,994,090	196,627,688	208,964,630
Special Revenue:										
Federal	6,120,186	6,162,773	6,849,177	6,836,288	8,231,588	11,626,193	6,866,649	6,844,541	1,636,176	6,876,390
State	702,210	596,876	964,064	810,414	1,074,527	1,182,453	1,202,252	1,647,646	6,922,509	1,553,239
Total Revenues	245,540,838	232,597,870	237,840,228	233,267,169	223,138,709	221,853,485	219,628,266	210,486,277	205,186,373	217,394,259
Expenditures:										
Instruction:										
Regular Instruction	67,749,842	71,424,029	69,909,028	65,935,727	66,235,265	70,775,226	60,157,586	57,677,719	57,928,682	57,493,051
Special Education Instruction	13,449,986	16,319,752	15,511,096	14,817,304	13,913,417	13,682,035	12,867,969	12,112,797	11,545,024	11,008,796
Other Instruction	11,379,122	1,383,970	1,453,892	1,323,853	1,378,203	1,391,433	1,337,305	1,420,945	-	-
Vocational				1,564,781	1,515,261	1,792,949	1,883,453	1,959,154	1,932,848	1,939,440
School Sponsored/Other Instructional	3,638,816	2,806,100	3,730,381	3,699,586	4,006,264	6,484,121	4,395,856	4,540,810	6,575,183	6,357,329
Adult/Continuing Education Programs			17,637	28,290	23,848	27,573	22,427	5,123	23,314	24,872
Support Services:										
Tuition	4,275,708	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954	1,985,607	1,321,587	966,270
Student & Instruction Related Services	16,833,119	18,128,663	19,031,847	18,415,334	18,713,173	17,114,306	16,546,017	15,868,276	15,538,474	15,396,417
General Administration	2,846,459	2,300,496	2,238,220	1,913,430	2,237,326	2,740,117	2,400,865	2,619,296	2,787,596	2,312,527
School Administrative Services	10,912,587	10,720,294	10,076,204	10,017,867	10,150,928	10,713,775	10,424,275	7,056,575	10,795,654	7,559,041
Plant Operations & Maintenance	17,289,882	17,275,268	17,348,622	15,848,523	17,398,949	19,645,580	19,427,536	22,603,208	18,574,415	20,177,552
Student Transportation	11,551,517	12,552,552	11,695,418	11,314,786	10,923,759	12,933,062	13,748,617	13,909,398	13,312,655	12,795,104
Business & Other Support Services							292		101	1,875,122
Unallocated Benefits	73,918,744	71,706,026	75,107,138	74,118,411	68,242,373	62,267,473	52,799,752	59,469,404	57,984,351	47,793,936

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenditures (continued):										
Special Schools	\$ 26,635	\$ 27,538	\$ 31,000	\$ 26,900	\$ 42,143	\$ 46,691	\$ 55,059	\$ 53,778	\$ 66,417	\$ 53,885
Capital Projects Fund			113,004	43,740	8,501	1,092,353	7,515,483	11,482,678	13,933,730	15,718,078
Debt Service Fund	6,519,548	6,537,969	6,765,667	6,772,384	6,766,561	7,011,966	7,107,723	6,789,447	6,959,134	6,333,270
Capital Outlay:										
Equipment	2,301,535	2,325,038	921,527	1,182,495	852,188	273,988	1,014,401	528,583	1,638,922	
Facilities Acquisition & Construction Services	1,362,825	1,518,998	602,484	406,962	400,772	160,413				900,972
Total Expenditures	244,056,325	239,150,904	237,701,370	230,415,682	224,879,832	228,820,659	214,092,570	220,082,798	220,918,087	208,705,662
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,484,513	(6,553,034)	138,858	2,851,487	(1,741,123)	(6,967,174)	5,535,696	(9,596,521)	(15,731,714)	8,688,597
Other Financing Sources/(Uses):										
Transfers Out		(22)	(4,324)				(300,000)	(50,000)	(2,135,000)	(50,000)
Transfers In	112,282	152,302	587,084	192,280	513,209					
Proceeds from Community Disaster Loan (CDL)	411,148	4,588,852								
Capital Leases (Nonbudgeted)	1,651,236	1,338,895	426,450	301,307	180,134					
Total Other Financing Sources (Uses)	2,174,666	6,080,027	1,009,210	493,587	693,343	-	(300,000)	(50,000)	(2,135,000)	(50,000)
Extraordinary Item	589,976	2,280,374								
Net Change in Fund Balances	\$ 4,249,155	\$ 1,807,367	\$ 1,148,068	\$ 3,345,074	\$ (1,047,780)	\$ (6,967,174)	\$ 5,235,696	\$ (9,646,521)	\$ (17,866,714)	\$ 8,638,597
Debt Service as a Percentage of Noncapital Expenditures	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%	3.5%	3.3%	3.4%	3.3%

Source: District records CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	PRIOR YEAR REFUNDS	NET DONATIONS	E Rate	RENTAL INCOME	TRANSPORTATION	SALE OF SOLAR RENEWABLE ENERGY CREDITS	MISCELLANEOUS	TOTAL
2015	\$ 2,341	\$ 1,031,474	\$ 265		\$ 300,000	\$ 128,231	\$ 78,113	\$ 229,013	\$ 185,477	\$ 1,954,914
2014	1,246	1,292,661	11,316			140,966	83,096	460,199	338,241	2,327,725
2013	5,437	1,325,068				165,676	121,638		1,231,420	2,849,239
2012		1,416,542				164,538	149,326		1,764,000	3,494,406
2011	54,073	870,836				104,019	180,438		1,862,613	3,071,979
2010	26,918	400,375	20,606	\$ 163,706		84,422	127,018		1,418,402	2,241,447
2009	208,104	428,009	863,856	107,744		88,520	90,457		1,326,637	3,113,327
2008	686,927	496,449		785,522		99,604	146,741			2,215,243
2007	1,211,781	255,598	12,340	209,223		50,549	235,126		121,681	2,096,298
2006	1,182,671	200,476					151,881		1,883,900	3,418,928

Source: District records

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

YEAR ENDED DECEMBER 31, BOROUGH OF BEACHWOOD	ESTIMATED NET ASSESSED/TAXABLE VALUATIONS
2015	\$ 1,002,554,600
2014	1,004,086,500
2013	1,010,656,000
2012	1,018,095,300
2011	1,019,970,687
2010	1,020,998,700
2009	1,042,734,166
2008	1,017,531,946
2007	945,859,318
2006	836,057,869
TOWNSHIP OF TOMS RIVER	
2015	\$ 12,524,602,960
2014	12,460,318,018
2013	11,389,473,485
2012	16,353,737,465
2011	16,986,477,060
2010	17,155,320,796
2009	17,221,567,478
2008	15,892,450,260
2007	14,189,633,928
2006	12,088,696,143
BOROUGH OF PINE BEACH	
2015	\$ 245,057,300
2014	244,468,238
2013	244,264,100
2012	301,485,400
2011	302,358,228
2010	302,167,066
2009	319,505,115
2008	314,323,357
2007	291,013,315
2006	258,808,832
BOROUGH OF SOUTH TOMS RIVER	
2015	\$ 271,377,300
2014	277,255,530
2013	277,442,693
2012	281,070,781
2011	282,485,773
2010	282,917,127
2009	283,439,208
2008	281,869,428
2007	281,002,203
2006	279,677,159

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

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

Unaudited

ASSESSMENT YEAR	SCHOOL DISTRICT	BOROUGH / TOWNSHIP	OCEAN COUNTY & OTHER	TOTAL
BOROUGH OF BEACHWOOD				
2015	\$0.080	\$0.673	\$0.362	\$1.831
2014	0.756	0.674	0.353	1.783
2013	0.741	0.673	0.354	1.768
2012	0.730	0.650	0.344	1.724
2011	0.731	0.622	0.337	1.690
2010	0.716	0.585	0.334	1.635
2009	0.666	0.559	0.320	1.545
2008	0.627	0.533	0.316	1.476
2007	0.590	0.492	0.303	1.385
2006	1.134	1.445	0.696	3.275
TOWNSHIP OF TOMS RIVER				
2015	\$1.044	\$0.612	\$0.471	\$2.127
2014	1.014	0.584	0.430	2.028
2013	0.992	0.544	0.431	1.961
2012	0.778	0.412	0.348	1.538
2011	0.739	0.377	0.335	1.451
2010	0.706	0.347	0.317	1.370
2009	0.634	0.290	0.308	1.232
2008	1.636	0.816	0.825	3.277
2007	1.577	0.679	0.805	3.061
2006	1.587	0.700	0.765	3.052
BOROUGH OF PINE BEACH				
2015	\$1.003	\$0.693	\$0.469	\$2.165
2014	0.963	0.660	0.456	2.079
2013	0.937	0.650	0.421	2.008
2012	0.785	0.499	0.370	1.654
2011	0.785	0.484	0.361	1.630
2010	0.738	0.469	0.347	1.554
2009	0.700	0.465	0.338	1.503
2008	0.651	0.460	0.333	1.444
2007	0.637	0.441	0.326	1.404
2006	0.629	0.419	0.307	1.355
BOROUGH OF SOUTH TOMS RIVER				
2015	\$0.751	\$1.089	\$0.343	2.183
2014	0.710	1.050	0.341	2.101
2013	0.702	1.009	0.325	2.036
2012	0.725	0.951	0.335	2.011
2011	0.732	0.888	0.338	1.958
2010	0.696	0.862	0.341	1.899
2009	0.643	0.786	0.320	1.749
2008	0.602	0.749	0.318	1.669
2007	0.557	0.675	0.294	1.526
2006	0.521	0.617	0.262	1.400

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

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

TAXPAYER	2015			TAXPAYER	2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
AC I TOMS RIVER LLC@ARMSTRONG CAP	\$ 17,104,200	10	4.50%	AC I TOMS RIVER LLC	\$ 23,571,500	9	4.11%
DOVER PARKADE LLC@PARAMOUNT REALTY	17,500,000	9	4.61%	DOVER PARKADE LLC@PARAMOUNT REALTY	22,380,000	10	3.90%
S/K BEY LEA ASSOCIATES I LLC	19,750,000	8	5.20%	SP ACQUISITION ASSOC.@PYNE CO.	40,000,000	5	6.97%
909 RT. 37 WEST ASSO@CRONHEIM	15,944,100	7	4.20%	909 RT. 37 WEST ASSO@CRONHEIM	23,999,000	8	4.18%
INDIAN HEAD PLAZA ASSOC@ JK MGT	18,733,100	6	4.93%	INDIAN HEAD PLAZA ASSOC@ JK MGT	27,571,100	7	4.80%
SEACOURT PAVILION LLC	30,000,000	5	7.90%	CIBA SPECIALTY CHEMICALS CORP.	80,460,000	2	14.02%
FAIRWAYS AT BEY LEA LLC	55,000,000	4	14.49%	FAIRWAYS AT BEY LEA LLC	34,622,600	6	6.03%
J&I REALTY ASSOC LLC @AAC MGMT	31,654,300	3	8.34%	J&I REALTY ASSOC LLC @AAC MGMT	40,806,900	4	7.11%
SDD INC@D DONOFRIO	39,000,000	2	10.27%	SDD INC@D DONOFRIO	60,473,800	3	10.54%
CPI @ SIMON PROPERTY GROUP LP	135,000,000	1	35.56%	CPI @ SIMON PROPERTY GROUP LP	220,000,000	1	38.34%
	<u>\$ 379,685,700</u>				<u>\$ 573,884,900</u>		

Source: Township tax office

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

CALENDAR YEAR ENDED JUNE 30,	TOTAL TAX LEVY	AMOUNT	PERCENTAGE OF LEVY
Borough of Beachwood			
2015	N/A	N/A	N/A
2014	\$ 17,953,574	\$ 17,378,788	96.79%
2013	17,906,306	17,293,794	96.57%
2012	17,577,539	17,077,645	97.16%
2011	17,269,528	16,928,427	96.30%
2010	16,733,588	16,173,953	96.66%
2009	15,784,498	15,293,527	96.89%
2008	15,052,335	14,585,758	96.90%
2007	4,973,573	4,813,424	96.78%
2006	13,650,847	13,311,187	97.51%
Township of Toms River			
2015	N/A	N/A	N/A
2014	\$ 261,260,304	\$ 255,561,780	97.81%
2013	231,047,482	225,649,792	97.66%
2012	260,499,876	249,136,567	95.64%
2011	254,757,257	246,018,967	96.57%
2010	242,727,698	235,626,904	97.07%
2009	118,269,202	113,188,256	95.70%
2008	212,485,362	207,940,875	97.86%
2007	204,585,917	199,333,209	97.43%
2006	200,128,145	196,019,651	97.95%
Borough of Pine Beach			
2015	N/A	N/A	N/A
2014	\$ 5,100,301	\$ 3,484,655	97.41%
2013	4,911,915	4,148,088	97.67%
2012	4,989,339	4,836,665	96.94%
2011	4,928,439	4,850,570	98.42%
2010	4,699,487	4,581,889	97.50%
2009	4,539,269	4,400,340	96.94%
2008	4,340,945	4,245,010	97.79%
2007	4,220,441	4,093,406	96.99%
2006	3,929,341	3,811,128	96.99%
Borough of South Toms River			
2015	N/A	N/A	N/A
2014	\$ 5,766,765	\$ 5,413,165	93.87%
2013	5,663,235	5,349,728	94.46%
2012	5,656,016	5,309,391	93.87%
2011	5,540,073	5,288,930	95.47%
2010	5,395,819	5,153,044	95.50%
2009	4,962,865	4,754,738	95.81%
2008	4,730,142	4,493,635	95.00%
2007	4,306,774	4,188,314	97.25%
2006	3,913,699	3,799,376	97.08%

N/A

Information is not available.

Source: Municipal Tax Offices

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					TOTAL DISTRICT	% OF ² PERSONAL INCOME	OCEAN COUNTY PER CAPITA ²
	GENERAL ¹ OBLIGATION BONDS	COMMUNITY DISASTER LOAN	NOTES PAYABLE	CAPITAL LEASES				
2015	\$ 57,705,000	\$ 5,000,000	\$ 1,462,672	\$ 4,174,756	\$ 68,342,428	N/A	N/A	
2014	61,830,000	4,588,852	1,645,506	1,587,537	69,651,895	N/A	\$43,214	
2013	65,975,000		2,929,431	663,143	69,567,574	N/A	N/A	
2012	67,394,000		3,197,210	455,380	71,046,590	N/A	N/A	
2011	70,799,000		3,461,507	143,426	74,403,933	N/A	\$40,724	
2010	74,069,000		3,275,537	156,609	77,501,146	1.73%	40,291	
2009	77,369,000		4,682,119	219,765	82,270,884	1.96%	39,331	
2008	80,114,000		7,145,487	325,618	87,585,105	2.18%	40,975	
2007	82,924,000		6,286,401	143,487	89,353,888	2.32%	39,214	
2006	84,284,000		6,327,316	223,369	90,834,685	2.42%	36,773	

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

¹Includes Early Retirement Incentive Plan (ERIP) Refunding.

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

N/A-information not available.

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

FISCAL YEAR ENDED JUNE 30,	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2015	\$ 57,705,000	0.41%	N/A
2014	61,830,000	0.39%	N/A
2013	65,975,000	0.51%	N/A
2012	67,394,000	0.38%	\$618.15
2011	70,799,000	0.38%	651.82
2010	76,426,667	0.40%	707.03
2009	81,133,249	0.46%	720.83
2008	80,114,000	0.51%	717.15
2007	82,924,000	1.04%	744.51
2006	84,284,000	2.52%	753.53

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

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

N/A-information not available.

TOMS RIVER REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
 Unaudited

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Toms River Regional Schools		100%	57,705,000
Net Overlapping Debt of School District:			
Beachwood		100%	12,195,698
Toms River		100%	159,195,703
Pine Beach		100%	5,434,517
South Toms River		100%	2,890,890
School District Debt		100%	-
Total Direct & Overlapping Debt			<u>\$ 237,421,808</u>

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

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

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

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

Unaudited

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 646,632,009	\$ 622,212,017	\$ 707,198,011	\$ 746,186,283	\$ 751,626,286	\$ 694,120,977	\$ 649,556,991	\$ 622,630,583	\$ 381,037,529	\$ 507,337,658
Total Net Debt Applicable to Limit	57,705,000	64,487,873	68,904,431	70,591,210	70,799,000	76,426,667	81,133,249	80,114,000	82,924,000	84,284,000
Legal Debt Margin	\$ 588,927,009	\$ 557,724,144	\$ 638,293,580	\$ 675,595,073	\$ 680,827,286	\$ 617,694,310	\$ 568,423,742	\$ 542,516,583	\$ 298,113,529	\$ 423,053,658
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.92%	10.36%	9.74%	9.46%	9.42%	11.01%	12.49%	12.87%	21.76%	16.61%

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis
	2015 \$ 15,463,482,694
	2014 15,529,281,874
	2013 17,504,636,073
	<u>\$ 48,497,400,641</u>
Average Equalized Valuation of Taxable Property	<u>\$ 16,165,800,214</u>
Debt Limit (4 % of Average Equalization Value)	\$ 646,632,009
Net Bonded School Debt	<u>57,705,000</u>
Legal Debt Margin	<u>\$ 588,927,009</u>

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

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

YEAR	POPULATION (a)	OCEAN COUNTY		UNEMPLOYMENT RATES(c)			
		PER CAPITA PERSONAL INCOME (b)		BEACHWOOD	TOMS RIVER	PINE BEACH	S. TOMS RIVER
2015	Not available	Not available		Not available	Not available	Not available	Not available
2014	108,430	\$ 43,214		6.6%	6.7%	6.8%	9.9%
2013	108,630	N/A		6.5%	8.6%	6.8%	7.6%
2012	109,026	N/A		11.0%	10.0%	8.9%	17.1%
2011	108,618	40,724		10.7%	9.9%	8.8%	16.8%
2010	108,095	40,291		10.3%	9.7%	8.4%	16.1%
2009	113,263	39,331		9.8%	9.4%	8.0%	15.4%
2008	112,324	40,975		5.9%	6.8%	4.8%	9.5%
2007	111,362	39,214		4.6%	5.1%	3.7%	7.4%
2006	110,759	36,773		5.2%	5.5%	4.2%	8.4%

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

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

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

Not available - At the time of the filing of the 2015 audit, this information was not available.

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

EMPLOYER	2015			2006		
	EMPLOYEES	RANK	TOTAL EMPLOYMENT	EMPLOYEES	RANK	TOTAL EMPLOYMENT
Ocean County Mall	2,450	4	17.29%	2,450	3	18.25%
St. Barnabas Health Care System	2,786	2	19.66%	4,700	1	35.00%
Toms River Schools	3,738	1	26.38%	2,500	2	18.62%
Ocean County Government	2,500	3	17.65%	2,038	4	15.18%
Ocean County College	1,500	5	10.59%	717	5	5.34%
Township of Toms River Government	694	6	4.90%	522	6	3.89%
Health South Rehabilitation Hospital	500	7	3.53%	500	7	3.72%
	<u>14,168</u>			<u>13,427</u>		

Source: Township Official Statements

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

Function/Program	2015	2014	2013	2012	2011	2010*	2009	2008	2007	2006
Instruction:										
Regular	977	983	968	948	940	1,043	1,100	1,178	1,216	1,234
Special Education	289	172	186	186	186	322	304	165	104	98
Other Special Instruction	1	1					3	3	3	1
Vocational				22	24	23	26	4	5	4
Support Services:										
Student & Instruction										
Related Services	268	261	261	248	261	40	46	68	70	151
School Administrative										
Services	159	155	158	163	163	137	102	124	131	172
General Administration	40	41	36	35	35	34	77	77	75	80
Plant Operations &										
Maintenance	265	265	258	265	271	272	175	178	174	180
Administrative Information										
Technology	17	18	18	17	18	18	19	11	11	13
Pupil Transportation	194	191	192	188	186	185	190	187	187	191
Other Support Services	115	119	123	124	125	121	111	87	87	148
Total	2,325	2,206	2,200	2,196	2,209	2,195	2,153	2,082	2,063	2,272

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

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	15,856	\$233,872,417	\$14,750	2.2%	1,269	14.6	15,783.8	14,919.8	-2.2%	94.5%
2014	16,182	228,770,177	14,137	-0.9%	1,274	14.1	16,134.0	15,222.9	-2.6%	94.4%
2013	16,596	230,742,699	13,904	3.2%	1,276	14.1	16,556.4	15,620.2	-1.4%	94.3%
2012	16,804	218,104,770	12,979	N/A	1,261	14.4	16,787.4	15,842.4	-1.1%	94.4%
2011	17,020	218,104,770	12,815	-4.7%	1,253	14.3	16,975.6	15,938.0	-0.7%	93.9%
2010	17,170	228,820,659	13,327	2.9%	1,265	N/A	17,090.1	16,071.8	-0.5%	94.0%
2009	17,239	222,461,471	12,905	-2.7%	1,295	N/A	17,169.8	16,144.2	-0.4%	94.0%
2008	17,396	228,524,985	13,137	0.5%	1,350	N/A	17,230.5	16,185.3	-2.0%	93.9%
2007	17,634	227,341,772	12,892	4.7%	1,228	N/A	17,576.4	16,478.4	-1.5%	93.8%
2006	18,181	217,085,291	11,940	-9.8%	1,235	N/A	17,851.4	16,692.7	-1.5%	93.5%

Sources: District records

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

- a Starting with 2011, operating expenditures equal total expenditures less debt service and capital projects (J-4).
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010*	2009*	2008*	2007*	2006*
Elementary Schools:										
Beachwood (1988):										
Square Feet	70,445	70,445	70,445	70,445	70,445					
Capacity	786	786	786	786	786					
Enrollment	569	578	584	591	586					
Cedar Grove (1971):										
Square Feet	132,194	132,194	132,194	132,194	132,194					
Capacity	1,134	1,134	1,134	1,134	1,134					
Enrollment (a)	873	841	878	883	920					
Citta (1999):										
Square Feet	70,581	70,581	70,581	70,581	70,581					
Capacity	844	844	844	844	844					
Enrollment	637	632	653	672	670					
East Dover (1954):										
Square Feet	97,718	97,718	97,718	97,718	97,718					
Capacity	1,182	1,182	1,182	1,182	1,182					
Enrollment	685	723	770	757	767					
Hooper Avenue (1965):										
Square Feet	89,063	89,063	89,063	89,063	89,063					
Capacity	1,134	1,134	1,134	1,134	1,134					
Enrollment	726	743	755	756	723					
North Dover (1956):										
Square Feet	70,492	70,492	70,492	70,492	70,492					
Capacity	855	855	855	855	855					
Enrollment	596	607	632	649	667					
Pine Beach (1953):										
Square Feet	58,341	58,341	58,341	58,341	58,341					
Capacity	614	614	614	614	614					
Enrollment	437	450	447	440	466					
Silver Bay (1972):										
Square Feet	112,930	112,930	112,930	112,930	112,930					
Capacity	1,134	1,134	1,134	1,134	1,134					
Enrollment	611	645	654	662	693					
South Toms River (1982):										
Square Feet	58,940	58,940	58,940	58,940	58,940					
Capacity	587	587	587	587	587					
Enrollment	352	368	357	375	367					
Walnut Street (1965):										
Square Feet	87,663	87,663	87,663	87,663	87,663					
Capacity	1,134	1,134	1,134	1,134	1,134					
Enrollment	757	799	840	843	845					
Washington Street (1960):										
Square Feet	49,890	49,890	49,890	49,890	49,890					
Capacity	533	533	533	533	533					
Enrollment	379	390	393	385	402					
West Dover (1963):										
Square Feet	56,442	56,442	56,442	56,442	56,442					
Capacity	656	656	656	656	656					
Enrollment	393	390	403	407	407					

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010*	2009*	2008*	2007*	2006*
Middle Schools:										
East (1962):										
Square Feet	259,829	259,829	259,829	259,829	259,829					
Capacity	1,518	1,518	1,518	1,518	1,518					
Enrollment	1,349	1,426	1,450	1,467	1,512					
North (1974):										
Square Feet	178,332	178,332	178,332	178,332	178,332					
Capacity	1,610	1,610	1,610	1,610	1,610					
Enrollment	1,279	1,335	1,387	1,423	1,412					
South (2005):										
Square Feet	194,382	194,382	194,382	194,382	194,382					
Capacity	1,242	1,242	1,242	1,242	1,242					
Enrollment	1,080	1,044	1,049	1,052	1,065					
High Schools:										
East (1979):										
Square Feet	241,420	241,420	241,420	241,420	241,420					
Capacity	1,980	1,980	1,980	1,980	1,980					
Enrollment	1,491	1,551	1,614	1,606	1,666					
North (1969):										
Square Feet	404,277	404,277	404,277	404,277	404,277					
Capacity	2,421	2,421	2,421	2,421	2,421					
Enrollment	2,366	2,381	2,295	2,210	2,311					
South (1951):										
Square Feet	172,344	172,344	172,344	172,344	172,344					
Capacity	1,421	1,421	1,421	1,421	1,421					
Enrollment	1,394	1,436	1,427	1,397	1,506					
Other Buildings:										
Central Administration:										
Square Feet	79,417	79,417	79,417	79,417	79,417					
Transportation Compound										
Square Feet	34,800	34,800	34,800	34,800	34,800					
Facilities Compound										
Square Feet	32,325	32,325	32,325	32,325	32,325					

Number of Schools at June 30, 2015:

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

Source: District Facilities Office, District Records

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

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

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

SCHOOL FACILITIES	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
High Schools:										
East	\$ 348,805	\$ 313,760	\$ 320,434	\$ 286,299	\$ 257,878	\$ 332,722	\$ 50,893	\$ 114,428	\$ 72,158	\$ 67,332
North	516,070	509,932	466,800	445,221	423,319	549,600	71,788	65,327	74,854	138,171
South	264,716	221,601	233,675	250,554	179,389	232,319	62,349	72,272	70,103	47,236
Intermediate Schools:										
East	329,238	330,525	303,214	291,563	260,478	349,560	35,084	19,739	41,514	46,564
North	238,157	289,648	247,295	222,066	205,757	240,699	35,788	28,315	29,217	38,892
South	232,440	220,012	211,386	214,785	202,992	260,753	14,065	30,645	12,203	15,284
Elementary Schools:										
Beachwood	86,271	83,985	85,340	78,146	75,315	103,149	12,488	22,660	10,478	28,588
Cedar Grove	159,389	157,219	146,542	140,367	142,394	188,818	17,864	10,533	8,338	30,839
Joseph A. Citta	92,973	92,249	105,432	84,021	78,382	139,651	12,058	18,013	14,577	11,348
East Dover	121,165	109,113	109,458	103,931	105,275	136,544	9,401	12,839	9,176	32,042
Hooper Avenue	112,355	110,407	103,876	108,156	114,434	116,688	24,040	21,015	28,542	15,771
North Dover	93,573	86,996	81,429	85,764	78,720	89,940	8,082	20,079	17,381	21,637
Pine Beach	71,768	66,157	66,510	64,431	66,679	160,947	20,698	19,353	17,801	25,449
Silver Bay	148,137	126,846	127,044	120,175	117,101	86,267	10,858	24,038	57,997	16,066
South Toms River	73,395	71,257	69,387	69,950	65,135	144,249	13,815	13,951	27,394	23,608
Walnut Street	109,624	102,222	98,827	95,540	90,339	75,063	6,694	8,481	9,768	13,095
Washington Street	61,827	66,450	61,550	57,268	52,728	84,839	18,694	11,313	10,370	10,052
West Dover	68,899	68,281	76,706	69,818	64,120	104,586	15,904	10,721	17,957	37,191
Subtotal	3,128,802	3,026,660	2,914,905	2,788,055	2,580,435	3,396,394	440,563	523,722	529,828	619,165
Other Facilities	170,323	74,256	149,484	148,916	140,277	221,489	3,121,847	2,822,695	3,789,042	2,549,210
Grand Total	\$ 3,299,125	\$ 3,100,916	\$ 3,064,389	\$ 2,936,971	\$ 2,720,712	\$ 3,617,883	\$ 3,562,410	\$ 3,346,417	\$ 4,318,870	\$ 3,168,375

**TOMS RIVER REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED**

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

Source: District Records

Single Audit Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Toms River Regional School District, in the County of Ocean, New Jersey (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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484.821.5735

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David J. Gannon

Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 15, 2015
Iselin, New Jersey

Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by OMB A-133 and New Jersey OMB Circular 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Toms River Regional School District's, in the County of Ocean, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

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Those standards, OMB Circular A-133 and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



David J. Gannon

Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 15, 2015
Iselin, New Jersey

Toms River Regional School District
Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2015		
										Unearned Revenue	(Accounts Receivable)	Due to Grantor
General Fund:												
U.S. Department of Health and Human Services												
-Passed-Through State Department of Education												
Medicaid Assistance Program	93.778	7/1/14-6/30/15	\$ 396,464			\$ 200,802	\$ (396,464)				\$ (195,662)	
Medicaid Assistance Program	93.778	7/1/13-6/30/14	331,274	(25,012)		25,012						
Medicaid Assistance Program (SEMI ARRA)	93.778	7/1/14-6/30/15	105,506			105,506	(105,506)					
U.S. Department of Housing and Urban Development												
-Passed-Through State Department of Education												
Community Development Block Grant	14.269	7/1/14-6/30/15	9,000,000			9,000,000	(9,000,000)					
U.S. Department of Homeland Security												
-Passed-Through State Department of Education												
Community Disaster Loan	97.030	7/1/14-6/30/15	5,000,000			411,148	(411,148)					
Total general fund				(25,012)		9,742,468	(9,913,118)				(195,662)	
U.S. Department of Education-Passed-Through State Department of Education												
Special Revenue Fund:												
Title I, Part A	84.010A	7/1/14-6/30/15	1,745,460			1,035,570	(1,745,459)				(709,889)	
Title I, Part A,	84.010A	7/1/13-6/30/14	1,775,140	(725,713)		725,713						
Title II A	84.367	7/1/14-6/30/15	550,607			338,362	(550,607)				(212,245)	
Title II A	84.367	7/1/13-6/30/14	548,793	(166,775)		166,775						
Title III	84.365	7/1/14-6/30/15	42,090			39,766	(42,090)				(2,324)	
Title III	84.365	7/1/13-6/30/14	38,555	(16,218)		16,218						
Race to the Top	84.416	7/1/13-6/30/14	67,050	(9,818)							(9,818)	
I.D.E.A., Part B	84.027A	7/1/14-6/30/15	3,854,741				(3,675,951)				(3,675,951)	
I.D.E.A., Part B	84.027A	7/1/13-8/31/14	3,627,024	(365,410)		285,958			\$ 79,452			
I.D.E.A. Preschool	84.173A	7/1/14-6/30/15	119,425				(118,288)				(118,288)	
I.D.E.A. Preschool	84.173A	7/1/13-8/31/14	119,361	(13,139)		13,139						
Total Special Revenue Fund				(1,297,073)		2,621,501	(6,132,395)		79,452		(4,728,515)	
U.S. Department of Agriculture-Passed-Through State Department of Education												
Enterprise Fund:												
Food Donation Program (NC)	10.555	7/1/14-6/30/15	266,046			266,046	(263,939)			\$ 2,107		
Food Donation Program (NC)	10.555	7/1/13-6/30/14	275,947	5,517			(5,517)					
National School Lunch Program	10.555	7/1/14-6/30/15	1,406,566			1,143,949	(1,406,566)				(262,617)	
National School Lunch Program	10.555	7/1/13-6/30/14	1,446,505	(150,271)		150,271						
School Breakfast Program	10.553	7/1/14-6/30/15	261,010			206,642	(261,010)				(54,368)	
School Breakfast Program	10.553	7/1/13-6/30/14	216,236	(22,743)		22,743						
Healthy Hunger-Free Kids Act	10.555	7/1/14-6/30/15	46,796			38,202	(46,796)				(8,594)	
Healthy Hunger-Free Kids Act	10.555	7/1/13-6/30/14	10,145	(10,145)		10,145						
U.S. Department of Homeland Security												
-Passed-Through State Department of Education												
Federal Emergency Management Agency (FEMA)	97.036	7/1/12-6/30/15	173,632	(16,394)			(73,900)				(90,294)	
Total Enterprise Fund				(194,036)		1,837,998	(2,057,728)			2,107	(415,873)	
Total Federal Awards				\$ (1,516,121)	\$ -	\$ 14,201,967	\$ (18,103,241)	\$ -	\$ 79,452	\$ 2,107	\$ (5,340,050)	

NC-non cash expenditures

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

Toms River Regional School District

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014		Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2015			Memo	
				Accounts Receivable	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education															
General Fund:															
Special Education Categorical Aid	495-034-5120-089	7/1/14-6/30/15	\$ 9,141,043				\$ 8,240,741	\$ (9,141,043)						\$ (900,302)	\$ (9,141,043)
Special Education Categorical Aid	495-034-5120-089	7/1/13-6/30/14	9,141,043	\$ (899,952)			899,952								
Equalization Aid	495-034-5120-078	7/1/14-6/30/15	39,889,745				35,960,998	(39,889,745)						(3,928,747)	(39,889,745)
Equalization Aid	495-034-5120-078	7/1/13-6/30/14	39,889,745	(3,927,218)			3,927,218								
Transportation Aid	495-034-5120-014	7/1/14-6/30/15	4,586,531				4,134,803	(4,586,531)						(451,728)	(4,586,531)
Transportation Aid	495-034-5120-014	7/1/13-6/30/14	4,586,531	(451,552)			451,552								
Security Aid	495-034-5120-084	7/1/14-6/30/15	1,820,980				1,641,631	(1,820,980)						(179,349)	(1,820,980)
Security Aid	495-034-5120-084	7/1/13-6/30/14	1,820,980	(179,279)			179,279								
Adjustment Aid	495-034-5120-085	7/1/14-6/30/15	11,839,961				10,673,841	(11,839,961)						(1,166,120)	(11,839,961)
Adjustment Aid	495-034-5120-085	7/1/13-6/30/14	11,839,961	(1,165,666)			1,165,666								
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	155,830				140,482	(155,830)						(15,348)	(155,830)
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	155,830				140,482	(155,830)						(15,348)	(155,830)
Under Adequacy Aid	495-034-5120-096	7/1/14-6/30/15	443,801				391,076	(433,801)						(42,725)	(433,801)
Under Adequacy Aid	495-034-5120-096	7/1/13-6/30/14	443,801	(42,709)			42,709								
Extraordinary Aid	100-034-5120-473	7/1/14-6/30/15	1,134,131					(1,134,131)				\$ (1,134,131)			(1,134,131)
Extraordinary Aid	100-034-5120-473	7/1/13-6/30/14	1,054,956	(1,054,956)											
Non-Public Transportation Aid	495-034-5120-014	7/1/14-6/30/15	24,708					(24,708)							(24,708)
Non-Public Transportation Aid	495-034-5120-014	7/1/13-6/30/14	24,171	(24,171)			24,171								
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/14-6/30/15	6,828,278				6,522,696	(6,828,278)						(305,582)	(6,828,278)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/13-6/30/14	6,698,201	(300,591)			300,591								
Reimbursed TPAF - Pension	495-034-5094-006	7/1/14-6/30/15	4,788,330				4,788,330	(4,788,330)							(4,788,330)
Reimbursed TPAF - Post Retirement	495-034-5094-001	7/1/14-6/30/15	7,601,476				7,601,476	(7,601,476)							(7,601,476)
Total General Fund				(8,046,094)			88,282,650	(88,400,644)				(1,464,421)		(6,699,667)	(88,400,644)
Special Revenue Fund:															
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	7/1/14-6/30/15	88,596		\$ 241		88,596	(88,188)	\$ (241)					\$ 408	(88,188)
Nursing Services	100-034-5120-070	7/1/14-6/30/15	141,041				141,041	(141,041)							(141,041)
Technology	100-039-5120-373	7/1/14-6/30/15	47,584		361		47,584	(44,346)	(361)					3,238	(44,346)
Non Public Auxiliary Services (Ch. 192):															
Home Instruction	100-034-5120-067	7/1/14-6/30/15	4,876					(4,876)						(4,876)	(4,876)
Home Instruction	7/1/13-6/30/14	12,057	(1,918)			1,918									
Compensatory Education	7/1/14-6/30/15	206,930		142,261		206,930	(158,109)	(142,261)					48,821	(158,109)	(158,109)
Transportation	7/1/14-6/30/15	26,350				26,350	(24,039)						2,311	(24,039)	(24,039)
Non Public Handicapped Services (Ch. 193):															
Supplemental Instruction	100-034-5120-066	7/1/14-6/30/15	109,073		35,805		109,073	(75,645)	(35,805)					33,428	(75,645)
Examination and Classification	7/1/14-6/30/15	134,369		10,189		134,369	(124,275)	(10,189)						10,094	(124,275)
Corrective Speech	7/1/14-6/30/15	49,476		23,905		49,476	(42,585)	(23,905)						6,891	(42,585)
Total Special Revenue Fund				(1,918)	212,762		805,337	(703,104)	(212,762)			(4,876)	105,191		(703,104)
Debt Service Fund:															
Debt Service - Type II Aid	495-034-5120-017	7/1/14-6/30/15	349,895				349,895	(349,895)							(349,895)
Total Debt Service Fund							349,895	(349,895)							(349,895)
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program (State share)	100-010-3350-023	7/1/14-6/30/15	39,107				30,957	(39,107)						(8,150)	(39,107)
State School Lunch Program (State share)	100-010-3350-023	7/1/13-6/30/14	43,280	(5,774)			5,774								
Total Enterprise Fund				(5,774)			36,731	(39,107)				(8,150)			(39,107)
Total State Financial Assistance			\$ (8,053,786)	\$ 212,762	\$ -	\$ 89,474,613	\$ (89,492,750)	\$ (212,762)	\$ -	\$ -	\$ (1,477,447)	\$ 105,191	\$ (6,699,667)	\$ (89,492,750)	
State Financial Assistance Not Subject to Single Audit Determination:															
Reimbursed TPAF - Pension	495-034-5094-001	7/1/14-6/30/15	4,788,330				4,788,330	(4,788,330)							(4,788,330)
Reimbursed TPAF - Post Retirement	495-034-5094-001	7/1/14-6/30/15	7,601,476				7,601,476	(7,601,476)							(7,601,476)
Total State Financial Assistance Subject to Single Audit Determination			\$ (8,053,786)	\$ 212,762	\$ -	\$ 77,084,807	\$ (77,102,944)	\$ (212,762)	\$ -	\$ -	\$ (1,477,447)	\$ 105,191	\$ (6,699,667)	\$ (77,102,944)	

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Toms River Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2015

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the Food Service Enterprise Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, and New Jersey OMB Circular 15-08 *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the basic financial statements and present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made. The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the two last state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent year due to the state deferral and recording of the last state aid payments in the subsequent year.

Toms River Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

June 30, 2015

3. Relationship to Basic Financial Statements (continued)

The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with NJSA 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$33,291 for the general fund and \$21,034 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$129,214 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 9,913,118	\$ 88,367,353	\$ 98,280,471
Special Revenue Fund	6,120,186	702,210	6,822,396
Debt Service Fund		349,895	349,895
Food Service Enterprise Fund	2,057,728	39,107	2,096,835
Total award revenues	\$18,091,032	\$ 89,458,565	\$ 107,549,597

4. Relationship to Federal and State Financial Reports

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

Toms River Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

June 30, 2015

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2015 amounted to \$12,389,806. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08. However, they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. FEMA Community Disaster Loan ("CDL")

The District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for a \$5,000,000 total loan and chose to withdraw \$4,588,852 during the 2013-14 fiscal year and the remaining available balance of \$411,148 during the 2014-15 fiscal year. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. The loan matures in 2018. The expenditures incurred during the 2015 fiscal year is subject to the Single Audit and have been included in the Schedule of Expenditures of Federal Awards.

7. Adjustments

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

Toms River Regional School District
Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u>	Yes <u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes <u> X </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes <u> X </u>	No

Federal Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$530,763</u>		
Auditee qualified as low-risk auditee?	<u> </u>	Yes <u> X </u>	No
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>		
Internal control over major programs:			
Material weakness(es) identified?	<u> </u>	Yes <u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes <u> X </u>	None Reported
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))?	<u> </u>	Yes <u> X </u>	No

Toms River Regional School District
Schedule of Findings and Questioned Costs (Continued)
Year ended June 30, 2015

Part I - Summary of Auditor's Results (continued)

Federal Awards Section (continued)

Identification of major programs:

CFDA Number Program Number	Name of Federal Program or Cluster
84.027 & 84.173	IDEA Part B – Basic & IDEA Preschool Cluster
10.553 & 10.555	National School Lunch Cluster
14.269	Community Development Block Grant (CDBG)

Toms River Regional School District
Schedule of Findings and Questioned Costs (Continued)

Year ended June 30, 2015

Part I - Summary of Auditor's Results (continued)

State Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:

\$2,313,088

Auditee qualified as low-risk auditee?

 Yes X No

Type of auditors' report on compliance for major programs:

Unmodified

Internal control over compliance:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?

 Yes X No

Identification of major programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-014	Transportation and Non-Public Transportation Aid
495-034-5094-003	Reimbursed TPAF-Social Security

Toms River Regional School District
Schedule of Findings and Questioned Costs (Continued)

June 30, 2015

Part II – Schedule of Financial Statement Findings

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

Toms River Regional School District
Schedule of Findings and Questioned Costs (Continued)

June 30, 2015

**Part III– Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB 15-08.

Toms River Regional School District
Summary Schedule of Prior Audit Findings

June 30, 2015

2014-01

Statement of Condition:

The District's business office personnel perform certain financial statement close process procedures on a monthly basis and at year end which include the posting of journal entries and other various accruals and reconciliations. In addition to the maintenance of fund level financial statements, the Governmental Accounting Standards Board also requires the presentation of government-wide financial statements ("A" Level schedules) that include certain accruals to be recorded that are not required to be reported at the fund level. During our audit, we noted that certain liabilities were not recorded at the government-wide level ("A" Level schedules), including the liabilities for the incurred but not reported claims related to the District's partially self-insured health plan and other partially self-insured liabilities related to workers' compensation claims, general and auto liabilities and student accident liability. In addition, we identified certain capital assets that were not recorded accurately in the government-wide and enterprise fund financial statements.

Status: Not repeated in the current year.