



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, 2016

**Toms River Regional
School District**

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

Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Prepared by

Toms River Regional School District
Business Administrator's Office

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	12
Roster of Officials	13
Independent Auditors, Consultants and Advisors	14
Certificate of Excellence in Financial Reporting	15
FINANCIAL SECTION	
Independent Auditors' Report	16
Required Supplementary Information – Part I	
Management's Discussion and Analysis	19
Basic Financial Statements	
Government-wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	32
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – Governmental Funds	33
Enterprise Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	38
Notes to the Basic Financial Statements	39

Table of Contents (continued)

	Page
FINANCIAL SECTION (continued)	
Required Supplementary Information – Part II	
Schedule of Funding Progress – Post Employment Healthcare Benefit Plan	84
Schedule of Employer Contributions – Post Employment Healthcare Benefit Plan	85
Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
Schedule of the District’s Proportionate Share of the Net Position Liability–PERS	86
Schedule of District Contributions–PERS	87
Schedule of the State’s Proportionate Share of the Net Pension Liability Associated With the District–TPAF	88
Notes to Required Supplementary Information	89
Required Supplementary Information – Part III	
Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	90
C-1a Combining Budgetary Comparison Schedule – General Fund – Not Applicable	N/A
C-1b Community Development Block Grant– Budget and Actual	99
C-2 Budgetary Comparison Schedule – Special Revenue Fund	100
C-3 Note to Required Supplementary Information – Budget to GAAP Reconciliation	101
Supplementary Information	
School Level Schedules:	
D-1 Combining Balance Sheet – Not Applicable	N/A
D-2 Blended Resource Fund 15 - Schedule of Expenditures Allocated by Resource Type – Actual – Not Applicable	N/A
D-3 Blended Resource Fund 15 - Schedule of Blended Expenditures – Budget and Actual – Not Applicable	N/A
Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	102
E-2 Schedule of Preschool Education Program Aid Expenditures – Budgetary Basis – Not Applicable	N/A
Capital Projects Fund:	
F-1 Schedule of Revenues, Expenditures and Changes in Fund Balance - Not Applicable	N/A
F-2 Summary Schedule of Project Expenditures	N/A

Table of Contents (continued)

	Page
FINANCIAL SECTION (continued)	
Supplementary Information (continued)	
Enterprise Funds:	
G-1 Statement of Net Position - Not Applicable	N/A
G-2 Statement of Revenues, Expenses, and Changes in Fund Net Position - Not Applicable	N/A
G-3 Statement of Cash Flows - Not Applicable	N/A
Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	105
H-2 Statement of Changes in Fiduciary Net Position – Not Applicable	N/A
H-3 Schedule of Cash Receipts and Cash Disbursements – Student Activity Agency Fund	106
H-4 Schedule of Cash Receipts and Cash Disbursements – Payroll Agency Fund	107
H-5 Schedule of Cash Receipts and Cash Disbursements – Class Trust Fund	108
Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	109
I-2 Schedule of Obligations Under Capital Leases	110
I-2a Schedule of Notes Payable	111
I-2b Schedule of Deferred Pension Obligations	112
I-2c Schedule of Community Disaster Loan (CDL)	113
I-3 Budgetary Comparison Schedule – Debt Service Fund	114
STATISTICAL SECTION-Other information (Unaudited)	
Financial Trends:	
J-1 Net Position by Component	115
J-2 Changes in Net Position	116
J-3 Fund Balances, Governmental Funds	119
J-4 Changes in Fund Balances – Governmental Funds	120
J-5 General Fund Other Local Revenue by Source	122
Revenue Capacity:	
J-6 Assessed Value and Actual Value of Taxable Property	123
J-7 Direct and Overlapping Property Tax Rates	124
J-8 Principal Property Tax Payers	125
J-9 Property Tax Levies and Collections	126
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	127
J-11 Ratios of Net General Bonded Debt Outstanding	128
J-12 Ratios of Overlapping Governmental Activities Debt	129
J-13 Legal Debt Margin Information	130

Table of Contents (continued)

	<u>Page</u>
STATISTICAL SECTION-Other information (Unaudited)	
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	131
J-15 Principal Employers	132
J-16 Full-Time Equivalent District Employees by Function/Program	133
J-17 Operating Statistics	134
J-18 School Building Information	135
J-19 Schedule of Required Maintenance for School Facilities	137
J-20 Insurance Schedule	138
 SINGLE AUDIT SECTION	
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	139
K-2 Report on Compliance With Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	141
K-3 Schedule A – Schedule of Expenditures of Federal Awards- Supplementary Information	144
K-4 Schedule B – Schedule of Expenditures of State Financial Assistance- Supplementary Information	145
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	146
K-6 Schedule of Findings and Questioned Costs – Part I – Summary of Auditors’ Results	149
K-7 Schedule of Findings and Questioned Costs – Parts II and III – Schedule of Financial Statement Findings and Federal and State Award Findings and Questioned Costs	152
K-8 Summary Schedule of Prior Year Audit Findings	154

Introductory Section



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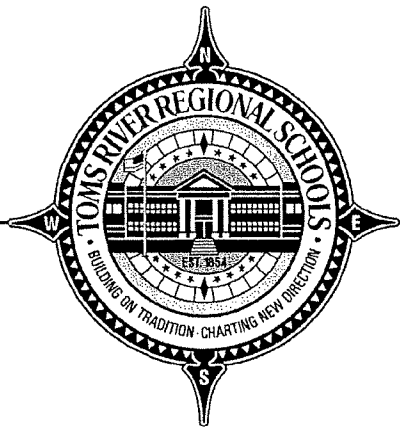
December 5, 2016

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, 2016 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, 2016, 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, the Federal Uniform Guidance and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the independent auditors' reports on internal control and compliance with applicable laws and regulations and findings and questioned costs, is included in the single audit section of this report.



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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 2015-2016 school year increased by 28.2 students over the previous year's enrollment. The following details the changes in the student enrollment of the District for the past five years. These figures are based upon average daily enrollment.

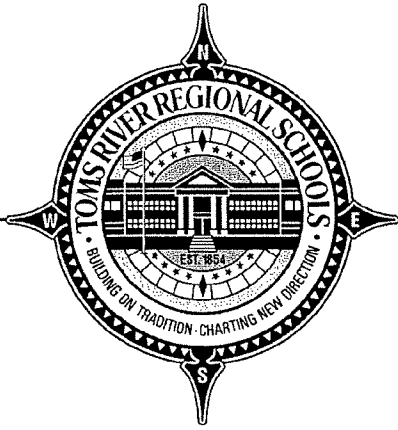
Average Daily Enrollment

Fiscal Year	Student Enrollment	# Students (+/-)	Percent Change
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	15,783.8	-350.3	0.0217%-
2015-16 (as submitted)	15,812.0	+ 28.2	0.0018%

2. ECONOMIC CONDITION AND OUTLOOK

Local, state, and federal economic conditions continue to create a relatively unstable and uncertain economic environment, for all entities, including the school district. In October 2012, the community was devastated by Superstorm Sandy which caused significant damage throughout our regional community. Toms River Township lost 15%-20% of the ratable base due to the storm and our understanding is that \$800 million in ratables has yet to return to the tax rolls, although the ratable recovery process is ongoing. It is expected that the aftereffects of Superstorm Sandy will put a strain on tax revenues and services for years to come. Other items of concern include investment rates which are still hovering at very low levels. Additionally, the State of New Jersey has again delayed payment of the final two State Aid payments for the year, totaling \$6,682,280 as of June 30, 2016.

The 2016-2017 School Budget was approved by the Board of Education in June 2016 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 2016-17 budget was 4.9% or \$7.0 million, although the tax increases for the average home in the four towns in the regional district ranged from \$3.02 to \$3.97 cents (note that Beachwood and



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South Toms River has reassessments and therefore, individual tax increases were not reported for those towns). This mitigated tax impact is due to the recovery already made with Toms River Township's ratable base coupled with the district utilizing \$3.5 million from the Maintenance Reserve to fund the 2016-17 budget. Of concern is that the district will need to replace the \$3.5 million Maintenance Reserve funding as that level of funding is not sustainable. It is expected that the ratable recovery in Toms River Township will continue, which will help in mitigating the financial impact of next year's budget. Also, given the Department of Education's allocation of taxes between the constituent municipalities in the regional district being based on equalized valuations, substantial changes in the ratable base for the largest ratable base (Toms River Township) can have a significant impact on the tax allocation for all communities in the regional district.

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

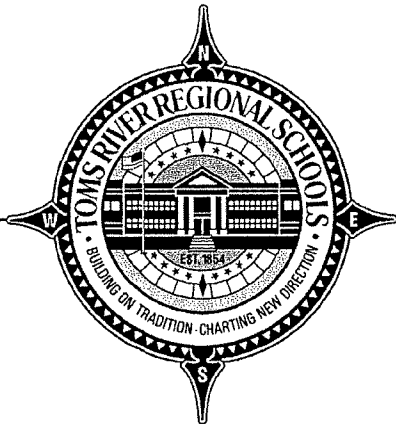
3. MAJOR INITIATIVES

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. The district moved to a more robust and research-supported model for administrator evaluation, the Rhode Island system. Training was provided to all staff members on a new web based data collection tool, OASYS/My Learning Plan.

Secondary Assessment Committees - A secondary assessment committee was established for both the intermediate and high school level to explore best practices at NJ schools and examine our own policies. The committee is made up of teachers, administrators, and parents.

Technology Improvements– A district Technology Committee representing diverse interests in the school community convenes periodically to assess our use of technology and to update the rolling 3-Year Technology Plan (with a new year added each year). Building technology committees have been established at all three grade clusters. Major investments in online and collaborative platforms have been made, with improvements to infrastructure (ex. bandwidth, wifi) and increased devices (ex. Chromebooks, projectors) to support curricular initiatives.

iSTEAM (integrating Science, Technology, Engineering, Arts and Math with all subject areas) **and Makerspaces** - new standards in science, technology, and careers demand that schools take a more holistic, hands on, and inquiry based approach to learning. The district continues to provide high quality training to staff and surrounding districts on the use of diverse tools and materials to prototype, program, and engineer problem-solving projects that use knowledge, skills and understandings across the curriculum, from pre-



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kindergarten to 12th grade. In every school, this has involved re-envisioning media centers, tech labs, and traditional shops into more innovative spaces.

CTE- The district is committed to improving its Career and Technical Education (CTE) offerings to help students master new and revised career-focused standards. One key model will be the creation of Career Academies at our three high schools, to focus on STEAM, Business and Finance, and Arts. CTE classes and courses of study in these areas will not only prepare students for specialized university programs in the areas of science, medicine, arts, finance, and digital design, and others, but will equip students with experiences and credentials to enter the workforce through other pathways.

Elementary School:

Full-day Kindergarten: A full day kindergarten program was implemented with great success. Professional development continued for all teaching staff focused on teaching in a center-based model and aligning instruction with the Objectives for Early Learning (a component of our commitment to the Teaching Strategies Gold/NJDOE pilot).

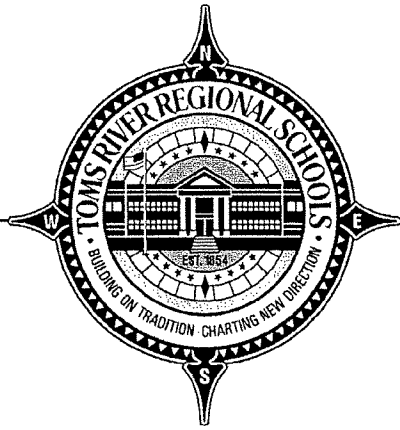
Language Arts: Numerous committee of teachers, supervisors, and administrators continued working on curricular units that offer both interdisciplinary teaching options and various resources to support a gradual release model for English Language Arts. Professional development continued to be provided to all teachers for implementing a balanced literacy model, specifically for planning for and leading guided reading groups. Teachers of kindergarten, grade 1, 3 & 5 also experienced model classroom lessons to assist in implementation of the mini lesson, effective lesson planning and workshop management.

The Fountas & Pinnell Benchmark Assessment System was introduced in all K-5 classrooms for leveling. Teachers were provided with professional development sessions to transition from the Teacher's College Reading Assessments.

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. The math benchmarks were revised and administered three times and then scored by the teachers. Data collected was used to refine instructional strategies. The committee utilized the new curricular frameworks for the NJSL.

Science: A district NGSS Committee, comprised of teacher and administrators representing grades K-8, met and designed new curriculum units aligned to the standards and practical for instruction. The committee members continued to participate in various professional development opportunities and turnkeyed sessions both during the summer of 2015 and on district-designated professional days.

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



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in a model that offered instructional support to complement classroom instruction. The group of 30+ basic skills staff members were provided with ongoing training to implement Orton Gillingham and guided reading strategies in small group sessions.

Intermediate School:

Math – As a result of the implementation of the New Jersey Student Learning Standards and PARCC data, grades 6, 7, and 8 are taking advantage of an additional class period during the marking period to address mathematics practices related to areas identified as needed for growth, specifically reasoning and modeling. Professional development was provided in Summer 2016 and throughout the school year to provide support for this need. Teachers developed a new curriculum including, but not limited to, video resources, student reflection and group assessments supported by rubrics, and strategies for higher order questioning techniques. With the adoption of the state standards and standards for mathematical practice, professional development was provided to best prepare students and teachers for this shift in mathematics education and learning.

Social Studies – Social studies teachers in grades 6 to 8 have worked to enhance students' cross-curricular content literacy in several ways. First, they have taken the lead on instructing students in the process of conducting research and completing a research project/paper. By utilizing EasyBib and other online resources, this has become an almost entirely online endeavor. In addition, they have guided students through the DBQ (Document Based Questions) process, having them analyze primary and secondary sources, based around a similar topic, and then synthesizing what they have learned into a coherent essay response. Finally, the social studies department has used the newly-created Academic Activity period as a time to enrich students' learning about historical content with opportunities for further reading and writing based on informational text. This instruction is paired with a variety of other student-centered and engaging activities.

Science – This year we are excited to offer students an exciting, engineering-focused, project-based learning opportunity in our newly created Academic Activity period. During this ten-week course, students will work in groups to complete multiple hands-on tasks with a focus on innovation, problem solving, and teamwork. Application of scientific, mathematic, and engineering principals will be the main focus of the course, supplemented with practice in both science-based research and writing.

In the regular Science academic course, once again this year, our students will be experiencing a high-quality curriculum which is grounded in the Next Generation Science Standards. Science is now heavily focused on the engineering design process, and the "big picture ideas" of science. Students are encouraged to utilize the online version of our Prentice Hall Science Explorer textbooks. This state-of-the-art curriculum offers many benefits and added learning features for all students. One such advantage is to provide the students with additional experience in using internet resources and digital media for academic purposes. This will become very important in future years as the state continues to offer a computer-based format for all standardized testing (PARCC), and will also help prepare students for college-level digital learning requirements.



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In addition to offering the most up-to-date digital curriculum available, the online version of the student textbook is enhanced with many additional features that students will find interesting and beneficial. The online version of the textbook offers interactive features, including the ability to have the text read aloud to the student, the ability to select and manipulate certain graphs, charts and diagrams, and the ability to download the audio version of textbook in its entirety to any mp3-compatible device. Students can also choose to take advantage of self-assessments that are offered along with each section of the text.

Language Arts – To optimally meet the demands of the NJ Student Learning Standards, and to foster a smoother transition from elementary to intermediate school, the ELA reading curriculum includes daily independent reading and conferring. After preliminary professional development focused on best practices in conferring with students, teachers organized their own “reading seminars,” conducted during the newly created Academic Activity period and as much as possible during the regular academic period. Further professional development will be provided to assist teachers in implementing their reading seminar programs. Additionally, quarterly assessments in ELA mirror the major writing tasks outlined in the standards and assessed on PARCC, ensuring that writing instruction is delivered and subsequently revisited throughout the school year.

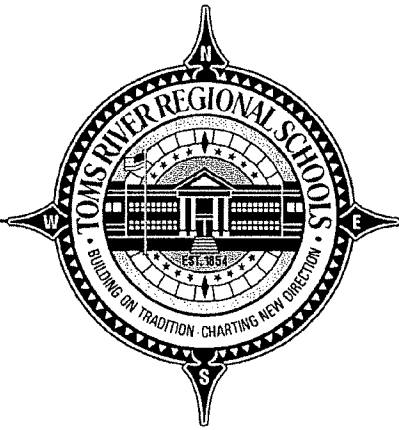
Basic Skills – The basic skills model is structured to accommodate and provide Tier 2 intervention during the school day within the Academic Activity period for mathematics and language arts. This model allows teachers more flexibility to customize student learning and provide supports to best meet the individual needs of students in promoting student growth and academic progress.

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 NJ Student Learning Standards, we adopted the Holt McDougal Literature text for Grades 9 and 10, while currently piloting teachers’ editions in grades 11 and 12. In our 10th and 11th grade general studies classes we have begun implementing the IRLA (Independent Reading Level Assessment) in order to identify the reading levels of our struggling students and to provide literacy intervention that is standards-aligned. Ninth grade students have been assessed to determine their Lexile. Research shows students have increased academic success when they are provided materials at the appropriate Lexile. This also helps fosters a lifelong love of reading. We have begun shifting the current curricula to the new English Language Arts Frameworks.

Recognizing the need 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 with a course that uses two scheduling periods (block) concentrating on English 3 for the first half of the year and English 4 for the second



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half of the year. This allows for students to experience success and graduate in the appropriate graduation cohort.

Mathematics: This year, the high school math department adopted new math series in Algebra I, Geometry and Algebra II. These texts support of the NJ Student Learning Standards-aligned curriculum. The text series are technology-rich as they provide a multitude of resources for teachers and students. Infrastructure improvements as well as professional development to prepare for the PARCC exam continue to be a focus for the year.

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

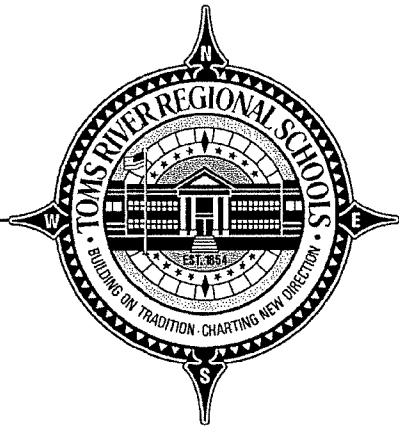
Personal Finance – Option II – Upper class students can complete the state-mandated graduating half-year course requirement in Financial Literacy by completing an on-line course that is overseen by district faculty. A district review packet and exam was developed in order to insure the students are meeting or exceeding the New Jersey Core Curriculum Content Standards. This program allows students the opportunity to schedule additional rigorous courses in that available scheduling period.

Science – The Environmental Earth, Chemistry and Biology courses had new curriculum written in the summer of 2016 to align with the NGSS. New textbooks were adopted in Environmental Earth, Chemistry and Physics with both CP and honors. All new texts have on-line component. Training for teachers was provided on September 1 and October 10 by the textbook publishers. A partnership between Ocean County College and HS South continues again this year. It focuses on infusion of STEAM into the chemistry curriculum.

World Language – In order to provide a program that has a strong technology component and a focus on 21st Century personal and career skills, all 3 languages and programs utilize thematic topics developed with proficiency in mind. All materials have a technology connection, whether provided by the textbooks we use as primary or reference tools or materials researched and developed by teachers from authentic target language resources. Professional development has been provided by the textbook companies and by the department chair as she turnkeys information from textbook, author and professional workshops she attends.

As STEAM initiatives are incorporated in the district, the World Language Department plans to support the initiative by talking and teaching about career choices and ideas that will enhance and complement topics studied in other curricular areas of the STEAM Academy. We are offering students the opportunity to take American Sign Language, which, for now, will be offered as an Option 2 choice, and can serve as an outstanding entry into the job market of the present and future.

Last year, in 2015-16, Toms River Regional Schools participated for the first time in the pilot of the Seal of Bilingualism. The Seal is awarded to graduating Seniors who demonstrate proficiency in English and at least one other language. Testing, depending on the language, includes presentational speaking and writing as well as



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interpretive listening and reading. Some languages do not have standardized tests available at this time. Last year we had 12 students achieve this goal in English and languages such as Spanish, French, Yoruba, Vietnamese and Tagalog. Some of our students were able to achieve the goals and demonstrate proficiency in MORE than one language besides English. This coming year, we hope to have more recipients and more languages represented. So far, achieving the goal means a student gets a Seal affixed on their diploma and having their college notified. This year, there is a list of colleges which will award credits for those students who earn the goal. We are waiting to get the list of over 200 schools who do so and hope some are in our geographical area.

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 AP Summer Institutes in Philadelphia, Pennsylvania or at Ocean County College. 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.

Basic Skills – This program provides a tiered approach that includes the district curriculum, targeted interventions and remediation, and exposure to the skills and rigor of state mandated assessments in mathematics and language arts. The courses are designed to promote student growth and improve performance to facilitate academic development and mastery of skills to help all children succeed. The program is intended to coordinate with and enhance the district goals and objectives as well as support individual graduation requirements.

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 Sunday Systems (Orton-Gillingham). The Sunday



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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.

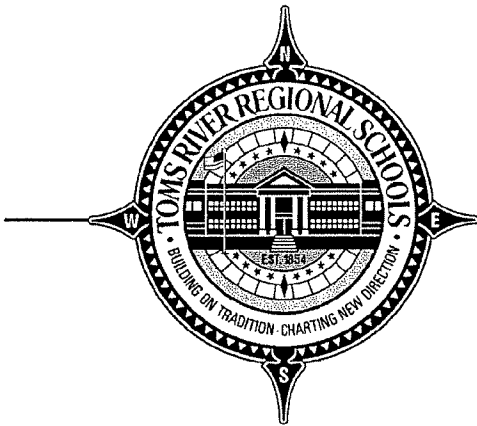
Preschool program- The district has supported the preschool teams of teachers, administrators, support staff and CST members, to participate in the GROW NJ KIDS Grant. GROW NJ KIDS is a system designed to create universal standards of quality for all early care education programs throughout New Jersey. 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 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.



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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.

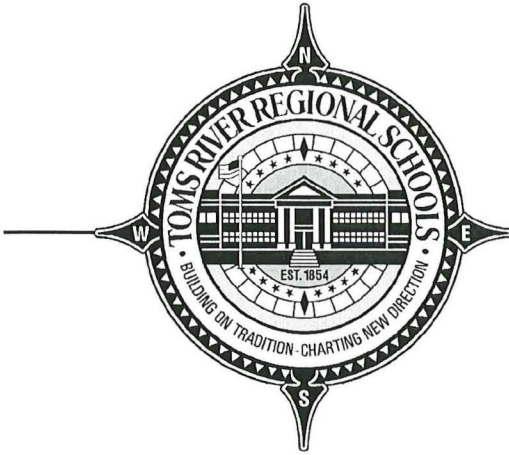
5. BUDGETARY CONTROLS

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, 2016.

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.



TOMS RIVER REGIONAL SCHOOLS

1144 Hooper Avenue, Toms River, NJ 08753
(732) 505-5500

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 Federal Uniform Guidance 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.

Certificate of Excellence in Financial Reporting Award - the district received the Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials International for the June 30, 2015 Comprehensive Annual Financial Report (the second year in row the district has achieved this award).

9. ACKNOWLEDGMENTS

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

Respectfully submitted,

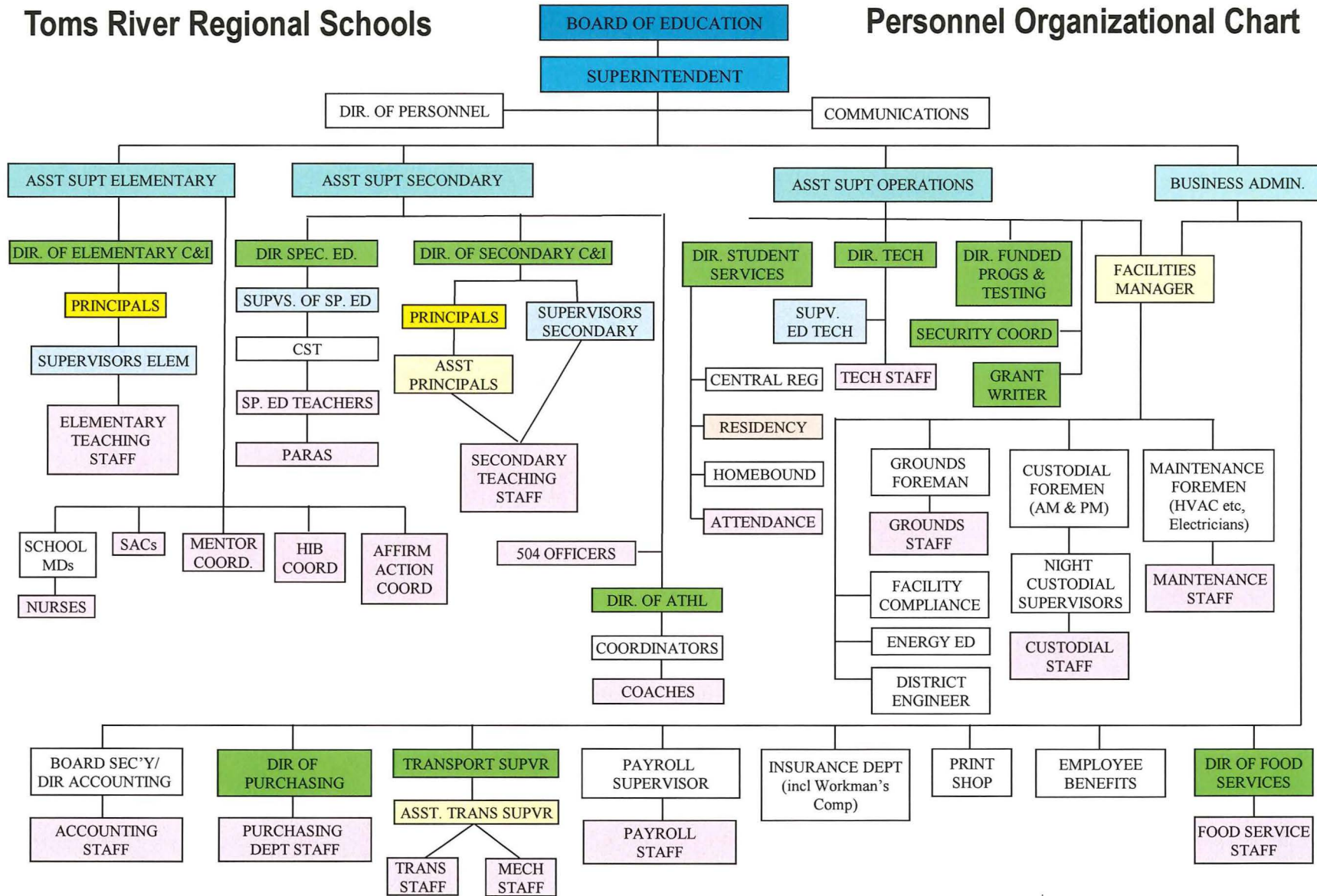
David Healy, Superintendent

William Doering, Business Administrator

Wendy L. Saxton, Board Secretary

Toms River Regional Schools

Personnel Organizational Chart



Toms River Regional School District
Toms River, New Jersey

Roster of Officials

June 30, 2016

	<u>Term Expires</u>
<u>Members of the Board of Education</u>	
Robert Onofrietti, President	2017
Loreen Torrone, Vice President	2017
Russell Corby	2016
Gidalty (Gigi) Esparza	2018
Ben Giovine	2017
Gloria McCormack	2016
Joe Nardini	2018
Christopher Raimann	2018
James Sigurdson	2016
<u>Other Officials</u>	
David Healy, Superintendent	
William J. Doering, Business Administrator	
Wendy L. Saxton, Board Secretary	
Matthew K. Varley, Treasurer	
Stephan Leone, Attorney	

Toms River Regional School District
Toms River, New Jersey

Independent Auditors, Consultants and Advisors

Independent Auditors

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

Attorney

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

Official Depositories

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

State Street Bank & Trust
P.O. Box 5994
Boston, Massachusetts 02206

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

Wells Fargo
40 Main Street
Toms River, New Jersey 08753

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

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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award
is presented to

Toms River Regional Schools

for its **Comprehensive Annual Financial Report (CAFR)**
for the **Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Toms River Regional School District, County of Ocean, New Jersey (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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, 2016, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 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 compliance.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 5, 2016
Livingston, New Jersey

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

Toms River Regional School District
Toms River, New Jersey

Management's Discussion and Analysis
Year ended June 30, 2016

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, 2016. 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 2016 are as follows:

- The District received \$7,342,361 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 \$18,478,024 at June 30, 2016. 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 2016 into restricted reserves for maintenance and capital in the amount of \$4,000,000 (\$2,000,000 for each reserve).
- The District received \$899,703 in the 2016 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, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the District's Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 to 83 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, 2016 and June 30, 2015.

Toms River Regional School District Net Position June 30,

	2016			2015		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Assets:						
Current and other assets	\$ 21,369,434	\$ 2,471,046	\$ 23,840,480	\$ 17,921,352	\$ 2,029,482	\$ 19,950,834
Capital assets, net	160,657,664	9,079,296	169,736,960	165,221,469	9,333,216	174,554,685
Total assets	182,027,098	11,550,342	193,577,440	183,142,821	11,362,698	194,505,519
Deferred outflows of resources:						
Deferred loss on defeasance of debt	3,083,357		3,083,357	3,407,363		3,407,363
Pension deferrals	17,513,319		17,513,319	8,376,609		8,376,609
Total deferred outflows of resources	20,596,676		20,596,676	11,783,972		11,783,972
Liabilities:						
Current liabilities	29,867,886	241,552	30,109,438	24,493,475	241,966	24,735,441
Net pension liability	90,811,122		90,811,122	78,094,385		78,094,385
Long-term liabilities outstanding	71,383,341	136,729	71,520,070	76,603,942	112,888	76,716,830
Total liabilities	192,062,349	378,281	192,440,630	179,191,802	354,854	179,546,656
Deferred inflow of resources:						
Pension deferrals	3,456,728		3,456,728	4,654,001		4,654,001
Net position:						
Net investment in capital assets	104,334,891	9,079,296	113,414,187	105,202,765	9,333,216	114,535,981
Restricted	14,493,814		14,493,814	12,842,765		12,842,765
Unrestricted (deficit)	(111,724,008)	2,092,765	(109,631,243)	(106,964,540)	1,674,628	(105,289,912)
Total net position	\$ 7,104,697	\$ 11,172,061	\$ 18,276,758	\$ 11,080,990	\$ 11,007,844	\$ 22,088,834

Unrestricted deficit increased \$4,759,468 pertaining to governmental activities as compared to the prior year, mainly as a result of the ongoing effects 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*.

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 \$400,000 and \$1,500,000, 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 and increases to restricted cash for capital and maintenance reserves.

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 supplemental health insurance payment made in July 2016 in the amount of \$3,800,000 for the 2016 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, 2016 is the result of the District following Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68* whereby the unfunded net pension liability continues to grow as the State of New Jersey continues to under-fund the pension system.

Toms River Regional School District
Changes in Net Position
Year ended

	2016			2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program Revenues:						
Charges for services	\$ 1,228,039	\$ 4,889,736	\$ 6,117,775	\$ 1,109,587	\$ 4,950,342	\$ 6,059,929
Operating grants and contributions	7,468,573	2,414,690	9,883,263	6,997,929	2,022,935	9,020,864
Capital grants and contributions	15,089		15,089	10,324		10,324
General Revenues:						
Property Taxes	143,571,709		143,571,709	138,348,992		138,348,992
Federal and state aid not restricted to specific purposes	126,812,212		126,812,212	118,915,604	73,900	118,989,504
Earning on Investments	4,788	584	5,372	2,341	626	2,967
Miscellaneous	1,246,460		1,246,460	852,447	82,646	935,093
Total Revenues	280,346,870	7,305,010	287,651,880	266,237,224	7,130,449	273,367,673
Expenses:						
Instruction and support services	283,070,460	7,028,513	290,098,973	264,403,608	7,781,767	272,185,375
Special schools	58,827		58,827	46,699		46,699
Interest on long-term debt	2,205,859		2,205,859	2,394,907		2,394,907
Total expenses	285,335,146	7,028,513	292,363,659	266,845,214	7,781,767	274,626,981
Change in net position before transfers and extraordinary item	(4,988,276)	276,497	(4,711,779)	(607,990)	(651,318)	(1,259,308)
Transfers	112,280	(112,280)		112,282	(112,282)	
Extraordinary Items	899,703		899,703	589,976		589,976
Change in Net Position	(3,976,293)	164,217	(3,812,076)	94,268	(763,600)	(669,332)
Net Position-beginning	11,080,990	11,007,844	22,088,834	87,812,702	11,771,444	99,584,146
Restatement				(76,825,980)		(76,825,980)
Net Position-beginning	11,080,990	11,007,844	22,088,834	10,986,722	11,771,444	22,758,166
Net Position-ending	\$ 7,104,697	\$ 11,172,061	\$ 18,276,758	\$ 11,080,990	\$ 11,007,844	\$ 22,088,834

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

Federal and State aid not restricted to specific purposes increased mainly due to an increase in the state source revenues, specifically from extraordinary aid, reimbursed TPAF pension contributions, and reimbursed post-retirement medical. Under GASB Statements 68 and 71, the District recorded the on-behalf pension revenue for contributions incurred by the State as calculated by an actuary, which resulted in an additional \$26,997,539 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 following GASB Statements 68 and 71 as mentioned above that resulted in the District recording additional on-behalf pension payments in the amount of \$26,997,539.

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 49 percent of revenues for governmental activities in the Toms River Regional School District for fiscal year 2016. Federal, state, and local grants and aid accounted for another 48 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 \$285,133,880. Instruction comprised 62.5 percent of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. It is important to note that additional instructional costs are included with support services, which is in conformity with New Jersey Budget Guidelines.

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

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services, day care tuition, ticket sales, rental income, and federal and state reimbursements. Charges for services comprised approximately 67 percent of total revenue. This represents revenue recognized in the amount of \$2,247,791, or 48 percent, for amounts paid by patrons for daily food service. Day care tuition revenue was \$695,707, or 14 percent, of operating revenue and represents payments for daycare tuition. Rental income for the Corporate Center's rental agreements was \$1,094,318, or 22 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 \$446,380 and \$405,540, respectively, or 9 percent of total operating revenue for various events and activities at the respective complexes. Additionally, federal and state reimbursements for meals, including payments for free and reduced-priced lunch and breakfast and donated commodities amounted to \$2,414,690 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 \$15,585,901, including funds restricted for capital, maintenance and emergency reserves in the amount of \$13,272,003. \$159,120 is restricted for current year excess surplus and \$1,062,691 of prior year excess surplus has been designated for subsequent year's expenditures. The remaining amount of \$137,309 represents the balance designated for subsequent year's expenditures and \$2,706,175 was designated for encumbrances offset by a general fund unassigned deficit of \$1,751,397 (unassigned fund balance netted with the delayed state aid payments) resulting in the \$954,778 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 above presents a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Local sources	\$ 146,191,887	57.7%	\$ 5,692,663	4.1%
State sources	92,812,325	36.6	3,392,867	3.8
Federal sources	14,345,119	5.7	(1,277,037)	(8.2)
Total	<u>\$ 253,349,331</u>	<u>100.0%</u>	<u>\$ 7,808,493</u>	<u>3.2%</u>

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

State sources increased due mainly to the increase in the on-behalf pension payments that were made by the State in fiscal year 2016.

Federal sources decreased primarily due to the receipt of the federally funded Community Development Block Grant fund in the amount of \$9,000,000 in the prior year and \$7,342,361 in the current year (round 3). 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, 2016, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 96,460,261	38.0%	\$ 2,665,219	2.8 %
Undistributed expenditures	146,619,055	57.8	6,568,315	4.7
Special schools	31,169	0.1	4,534	17.0
Capital outlay	4,069,237	1.5	404,877	11.0
Debt service:				
Principal	4,482,834	1.8	175,000	4.1
Interest	2,028,652	0.8	(183,062)	(8.3)
Total	\$253,691,208	100.0%	\$ 9,634,883	3.9%

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.

General Fund Budgeting Highlights

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

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.

Capital Assets

At the end of the fiscal year 2016, the District had \$169,938,226 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, 2016 and 2015:

	2016	2015
Land	\$ 6,790,523	\$ 6,790,523
Land improvements	7,273,394	6,856,107
Building and building improvements	151,919,417	157,099,841
Machinery, equipment and vehicles	3,954,892	3,808,214
Total	\$169,938,226	\$174,554,685

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

Debt Administration and Long-Term Liabilities

At June 30, 2016, the District had \$78,019,133 of outstanding debt and other long-term liabilities, of which \$6,635,792 was classified as the current portion.

At June 30, 2016 and 2015, the District's long-term liabilities consisted of:

	<u>2016</u>	<u>2015</u>
Bonds payable	\$53,405,000	\$57,705,000
Premium on bonds	1,693,399	1,832,403
Notes payable	1,279,838	1,462,672
Deferred pension obligation	904,085	960,454
Community disaster loan	5,000,000	5,000,000
Capital leases payable	3,027,893	4,174,756
Compensated absences payable	12,708,918	12,274,697
Total long-term liabilities	<u>\$78,019,133</u>	<u>\$83,409,982</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. 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, 2016.

Toms River Regional School District

Statement of Net Position

June 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,448,204	\$ 2,137,852	\$ 5,586,056
Accounts receivable	3,513,627	471,018	3,984,645
Internal balances	289,757	(289,757)	-
Inventories		84,715	84,715
Investments	108,999		108,999
Advance deposit	403,673		403,673
Other assets	333,171	67,218	400,389
Restricted assets:			
Cash and cash equivalents	13,272,003		13,272,003
Capital assets, non-depreciable	5,368,923		5,368,923
Capital assets, depreciable, net	155,288,741	9,079,296	164,368,037
Total assets	<u>182,027,098</u>	<u>11,550,342</u>	<u>193,577,440</u>
Deferred outflows of resources			
Deferred loss on defeasance of debt	3,083,357		3,083,357
Pension deferrals	17,513,319		17,513,319
Total deferred outflows of resources	<u>20,596,676</u>		<u>20,596,676</u>
Liabilities			
Accounts payable	4,449,255	26,096	4,475,351
Intergovernmental accounts payable:			
State	65,728		65,728
Federal	29		29
Accrued interest payable	1,076,325		1,076,325
Accrued liability for claims	17,316,110		17,316,110
Accrued salaries and wages		21,944	21,944
Unearned revenue	324,647	125,254	449,901
Net pension liability	90,811,122		90,811,122
Other liabilities		68,258	68,258
Current portion of long-term obligations	6,635,792		6,635,792
Noncurrent portion of long-term obligations	71,383,341	136,729	71,520,070
Total liabilities	<u>192,062,349</u>	<u>378,281</u>	<u>192,440,630</u>
Deferred Inflows of Resources			
Pension deferrals	<u>3,456,728</u>		<u>3,456,728</u>
Net Position			
Net investment in capital assets	104,334,891	9,079,296	113,414,187
Restricted for:			
Other purposes	14,493,814		14,493,814
Unrestricted (deficit)	(111,724,008)	2,092,765	(109,631,243)
Total net position	<u>\$ 7,104,697</u>	<u>\$ 11,172,061</u>	<u>\$ 18,276,758</u>

Toms River Regional School District

Statement of Activities

Year ended June 30, 2016

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	\$ 178,305,712	\$ 1,143,509	\$ 6,099,568		\$ (171,062,635)		\$ (171,062,635)
Support services							
Attendance/social work	314,030				(314,030)		(314,030)
Health services	5,215,940				(5,215,940)		(5,215,940)
Other support services	20,445,314		1,369,005		(19,076,309)		(19,076,309)
Improvement of instruction	5,289,591				(5,289,591)		(5,289,591)
School library	3,352,594				(3,352,594)		(3,352,594)
Instructional staff training	253,156				(253,156)		(253,156)
General administration	4,493,013				(4,493,013)		(4,493,013)
School administration	14,292,348				(14,292,348)		(14,292,348)
Central Services	3,867,552				(3,867,552)		(3,867,552)
Administrative information technology	3,278,731			\$ 15,089	(3,263,642)		(3,263,642)
Required maintenance	5,388,557				(5,388,557)		(5,388,557)
Operation of plant	17,812,538				(17,812,538)		(17,812,538)
Security	2,088,660				(2,088,660)		(2,088,660)
Student transportation	18,731,552	84,530			(18,647,022)		(18,647,022)
Interest on long-term debt	2,205,859				(2,205,859)		(2,205,859)
Total governmental activities	<u>285,335,146</u>	<u>1,228,039</u>	<u>7,468,573</u>	<u>15,089</u>	<u>(276,623,445)</u>		<u>(276,623,445)</u>
Business-type activities							
Food Service	4,637,749	2,247,791	2,414,690		\$ 24,732		24,732
Corporate Center	850,433	1,094,318			243,885		243,885
Day Care Center	808,082	695,707			(112,375)		(112,375)
Bennett Complex	328,542	446,380			117,838		117,838
Pine Belt Arena	403,707	405,540			1,833		1,833
Total business-type activities	<u>7,028,513</u>	<u>4,889,736</u>	<u>2,414,690</u>		<u>275,913</u>		<u>275,913</u>
Total primary government	<u>\$ 292,363,659</u>	<u>\$ 6,117,775</u>	<u>\$ 9,883,263</u>	<u>\$ 15,089</u>	<u>(276,623,445)</u>	<u>275,913</u>	<u>(276,347,532)</u>
General revenues:							
Property taxes, levied for general purposes					137,569,066		137,569,066
Property taxes, levied for for debt service					6,002,643		6,002,643
State Sources					119,001,676		119,001,676
Federal Sources					7,810,536		7,810,536
Investment Income					4,788	584	5,372
Miscellaneous Income					1,246,460		1,246,460
Transfers					112,280	(112,280)	
Total general revenues and transfers					<u>271,747,449</u>	<u>(111,696)</u>	<u>271,635,753</u>
Change in net position before extraordinary item					(4,875,996)	164,217	(4,711,779)
Extraordinary item-restitution funds					899,703		899,703
Change in net position					(3,976,293)	164,217	(3,812,076)
Net position-beginning					11,080,990	11,007,844	22,088,834
Net position-ending					<u>\$ 7,104,697</u>	<u>\$ 11,172,061</u>	<u>\$ 18,276,758</u>

Fund Financial Statements

Governmental Funds

Toms River Regional School District
Governmental Funds

Balance Sheet

June 30, 2016

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
Assets				
Cash and cash equivalents	\$ 3,448,155		\$ 49	\$ 3,448,204
Accounts receivable:				
State	1,388,896	\$ 5,608		1,394,504
Federal	128,206	1,382,161		1,510,367
Other	604,498	4,258		608,756
Other assets	403,673			403,673
Investments	108,999			108,999
Interfund receivable	848,696			848,696
Restricted assets:				
Cash and cash equivalents	<u>13,272,003</u>			<u>13,272,003</u>
Total assets	<u>\$ 20,203,126</u>	<u>\$ 1,392,027</u>	<u>\$ 49</u>	<u>\$ 21,595,202</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 406,855	\$ 441,775		\$ 848,630
Intergovernmental accounts payable:				
State		65,728		65,728
Federal		29		29
Interfund payable		558,939		558,939
Other liabilities	4,210,370	909		4,211,279
Unearned revenue		<u>324,647</u>		<u>324,647</u>
Total liabilities	<u>4,617,225</u>	<u>1,392,027</u>		<u>6,009,252</u>
Fund balances:				
Restricted for:				
Excess Surplus - current year	159,120			159,120
Excess Surplus - prior year designated for subsequent years expenditures	1,062,691			1,062,691
Capital reserve	4,419,305			4,419,305
Maintenance reserve	8,147,733			8,147,733
Emergency reserve	704,965			704,965
Debt service			\$ 49	49
Assigned to:				
Designated for subsequent year's expenditures	137,309			137,309
Other purposes	<u>954,778</u>			<u>954,778</u>
Total fund balances	<u>15,585,901</u>		<u>49</u>	<u>15,585,950</u>
Total liabilities and fund balances	<u>\$ 20,203,126</u>	<u>\$ 1,392,027</u>	<u>\$ 49</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$373,830,819 and the accumulated depreciation is \$213,173,155. 160,657,664

Other asset is not due to be received in the current period and therefore is not reported as an asset in the funds. 333,171

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. (1,076,325)

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. 3,083,357

Accrued liability for insurance claims not due and payable in the current period and therefore is not reported as a liability in the funds. (13,104,831)

Deferred pension costs in governmental activities are not financial resources (uses) and therefore are not reported in the funds. 14,056,591

Accrued pension contributions for the June 30, 2016 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. (3,600,625)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (90,811,122)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (78,019,133)

Net position of governmental activities \$ 7,104,697

Toms River Regional School District
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2016

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
Revenues				
Local sources:				
Local tax levy	\$ 137,569,066		\$ 6,002,643	\$ 143,571,709
Interest on investments	4,782			4,782
Interest on capital reserve	2			2
Interest on maintenance reserve	3			3
Interest on emergency reserve	1			1
Transportation fees from other LEAs within the State	84,530			84,530
Tuition	1,143,509			1,143,509
Rental Income	145,635			145,635
Solar Credits	485,024			485,024
Miscellaneous	615,754	\$ 140,891	47	756,692
Total revenues—local sources	140,048,306	140,891	6,002,690	146,191,887
State sources	91,652,294	808,188	351,843	92,812,325
Federal sources	7,810,536	6,534,583		14,345,119
Total revenues	239,511,136	7,483,662	6,354,533	253,349,331
Expenditures				
Current:				
Instruction	90,360,693	6,099,568		96,460,261
Undistributed:				
Instruction	3,944,585			3,944,585
Attendance/social work	163,501			163,501
Health services	3,019,326			3,019,326
Guidance services	3,997,220			3,997,220
Speech, OT, PT and related services	3,073,587			3,073,587
Child study teams / special education	3,515,436	1,369,005		4,884,441
Improvement of instruction	2,760,981			2,760,981
School library	1,782,438			1,782,438
Instructional staff training	197,318			197,318
General administration	3,229,855			3,229,855
School administration	7,504,228			7,504,228
Central services	2,074,046			2,074,046
Administrative information technology	1,609,660			1,609,660
Required maintenance	2,873,956			2,873,956
Operation of plant	10,890,995			10,890,995
Care & upkeep of grounds	1,408,802			1,408,802
Security	1,100,191			1,100,191
Student transportation	11,271,722			11,271,722
Personnel services-				
unallocated employee benefits	58,307,570			58,307,570
On-behalf payments	22,524,633			22,524,633
Special Schools	31,169			31,169
Capital outlay	4,054,148	15,089		4,069,237
Debt service payment - principal			4,482,834	4,482,834
Debt service payment - interest			2,028,652	2,028,652
Total expenditures	239,696,060	7,483,662	6,511,486	253,691,208
(Deficiency) of Revenues (Under) Expenditures	(184,924)	-	(156,953)	(341,877)
Other financing sources:				
Transfers in	112,280			112,280
Total other financing sources	112,280			112,280
Extraordinary Item - restitution funds	899,703			899,703
Net change in fund balances	827,059	-	(156,953)	670,106
Fund balances, July 1	14,758,842	-	157,002	14,915,844
Fund balances, June 30	<u>\$ 15,585,901</u>	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 15,585,950</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).

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, 2016

Total net change in fund balances - governmental funds (B-2) **\$ 670,106**

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	\$ (7,516,652)	
Capital asset additions	2,968,911	
Capital assets transferred, net	(725)	
Capital asset disposals, net	<u>(15,339)</u>	(4,563,805)

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	4,300,000	
Obligations under capital leases	1,146,863	
Deferred pension obligation	56,369	
Retirements of note principal	<u>182,834</u>	5,686,066

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. 136,005

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, 2016. (1,039,053)

In fiscal year 2015, the District entered into a capital lease agreement prior to the end of the fiscal year in which the lease proceeds were unspent and recorded as other liabilities in the general fund. During fiscal year 2016, the District utilized the funds for purchases under the capitalization threshold. (1,748,764)

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. 7,795

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. (434,221)

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	(2,505,420)
-----------------	-------------

Change in net position of governmental activities (A-2) **\$ (3,976,293)**

Enterprise Funds

Toms River Regional School District
Enterprise Funds

Statement of Net Position

June 30, 2016

	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	\$ 99,290	\$ 859,172	\$ 18,254	\$ 757,998	\$ 403,138	\$ 2,137,852
Accounts receivable:						
State	9,502					9,502
Federal	453,827					453,827
Other	6,943		746			7,689
Inventories	84,715					84,715
Other assets		67,218				67,218
Total assets	654,277	926,390	19,000	757,998	403,138	2,760,803
Non-current assets:						
Capital assets, net	318,719	5,771,827	15,913	620,238	2,352,599	9,079,296
Total assets	972,996	6,698,217	34,913	1,378,236	2,755,737	11,840,099
Liabilities						
Current liabilities:						
Accounts payable		26,096				26,096
Accrued salaries and wages	7,717		14,124		103	21,944
Unearned revenue	95,501	29,753				125,254
Security deposits		68,258				68,258
Interfund payable	289,757					289,757
Total current liabilities	392,975	124,107	14,124		103	531,309
Non-current liabilities:						
Compensated absences payable	136,729					136,729
Total liabilities	529,704	124,107	14,124			668,038
Net position						
Net investment in capital assets	318,719	5,771,827	15,913	620,238	2,352,599	9,079,296
Unrestricted	124,573	802,283	4,876	757,998	403,035	2,092,765
Total net position	\$ 443,292	\$ 6,574,110	\$ 20,789	\$ 1,378,236	\$ 2,755,634	\$ 11,172,061

Toms River Regional School District
Enterprise Funds

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2016

	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	\$ 2,229,696					\$ 2,229,696
Tuition			\$ 695,707			695,707
Rental income		\$ 1,094,318		\$ 310,351	\$ 83,500	1,488,169
Sales				131,373	206,918	338,291
Fees collected					110,128	110,128
Miscellaneous	18,095			4,656	4,994	27,745
Total operating revenues	<u>2,247,791</u>	<u>1,094,318</u>	<u>695,707</u>	<u>446,380</u>	<u>405,540</u>	<u>4,889,736</u>
Operating expenses:						
Salaries	2,064,212		502,871	155,561	93,634	2,816,278
Employee benefits	323,470		74,476	11,900	14,247	424,093
Repairs and maintenance		121,278		17,126	28,674	167,078
Supplies and materials	74,379	93	57,063	46,293	69,180	247,008
Cost of sales	1,962,967					1,962,967
Depreciation	59,458	175,865	2,247	24,178	79,476	341,224
Amortization		13,102				13,102
Utilities	48,130	241,120		24,880	19,767	333,897
Real estate taxes		137,848				137,848
Rental expense	38,000		170,000			208,000
Management services		37,125				37,125
Tenant improvements		8,816				8,816
Insurance	12,415			2,239	11,213	25,867
Other purchased services	43,638	88,361		46,365	87,470	265,834
Miscellaneous	8,079	26,825	1,425		46	36,375
Total operating expenses	<u>4,634,748</u>	<u>850,433</u>	<u>808,082</u>	<u>328,542</u>	<u>403,707</u>	<u>7,025,512</u>
Operating (loss) income	(2,386,957)	243,885	(112,375)	117,838	1,833	(2,135,776)
Non-operating revenues (expenses):						
State sources:						
School lunch program	41,171					41,171
Federal sources:						
School breakfast program	422,060					422,060
School lunch program	1,504,726					1,504,726
Healthy Hunger-Free Kids Act (HHFKA)	47,073					47,073
Food donation program	399,660					399,660
Loss on disposal (net of transfers) of capital assets	(3,001)					(3,001)
Interest revenue	22	556			6	584
Total nonoperating revenues (expenses)	<u>2,411,711</u>	<u>556</u>			<u>6</u>	<u>2,412,273</u>
Other financing (uses):						
Transfers out				(20,972)	(91,308)	(112,280)
Total other financing (uses)				<u>(20,972)</u>	<u>(91,308)</u>	<u>(112,280)</u>
Change in net position	24,754	244,441	(112,375)	96,866	(89,469)	164,217
Total net position, beginning	418,538	6,329,669	133,164	1,281,370	2,845,103	11,007,844
Total net position, end	<u>\$ 443,292</u>	<u>\$ 6,574,110</u>	<u>\$ 20,789</u>	<u>\$ 1,378,236</u>	<u>\$ 2,755,634</u>	<u>\$ 11,172,061</u>

Toms River Regional School District
Enterprise Funds

Statement of Cash Flows

Year ended June 30, 2016

	Business Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	Pine Belt Arena	
Cash flows from operating activities						
Receipts from customers	\$ 2,262,017	\$ 1,102,050	\$ 696,597	\$ 446,380	\$ 405,540	\$ 4,912,584
Payments to employees	(2,036,997)		(578,470)	(167,461)	(107,778)	(2,890,706)
Payments for employee benefits	(323,470)					(323,470)
Payments for rent	(38,000)		(170,000)			(208,000)
Payments to suppliers	(2,154,675)	(669,812)	(58,488)	(136,903)	(216,350)	(3,236,228)
Net cash (used in) provided by operating activities	<u>(2,291,125)</u>	<u>432,238</u>	<u>(110,361)</u>	<u>142,016</u>	<u>81,412</u>	<u>(1,745,820)</u>
Cash flows from investing activities						
Interest received	22	556			6	584
Net cash provided by investing activities	<u>22</u>	<u>556</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>584</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(35,664)	(54,641)				(90,305)
Net cash (used in) capital and related financing activities	<u>(35,664)</u>	<u>(54,641)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,305)</u>
Cash flows from noncapital financing activities						
Cash received from state and federal sources	2,376,841					2,376,841
Cash (disbursed) to other funds	(7,917)			(20,972)	(91,308)	(120,197)
Net cash provided by (used in) noncapital financing activities	<u>2,368,924</u>			<u>(20,972)</u>	<u>(91,308)</u>	<u>2,256,644</u>
Net increase (decrease) in cash and cash equivalents	42,157	378,153	(110,361)	121,044	(9,890)	421,103
Cash and cash equivalents, beginning of year	57,133	481,019	128,615	636,954	413,028	1,716,749
Cash and cash equivalents, end of year	<u>\$ 99,290</u>	<u>\$ 859,172</u>	<u>\$ 18,254</u>	<u>\$ 757,998</u>	<u>\$ 403,138</u>	<u>\$ 2,137,852</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities						
Operating (loss) income	\$ (2,386,957)	\$ 243,885	\$ (112,375)	\$ 117,838	\$ 1,833	\$ (2,135,776)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	59,458	175,865	2,247	24,178	79,476	341,224
Amortization Expense		13,102				13,102
Change in assets and liabilities:						
(Decrease) in accounts payable	(1,845)	(8,346)				(10,191)
(Increase) in inventory	(3,222)					(3,222)
Decrease in intergovernmental receivable			890			890
(Decrease) increase in unearned revenue	(1,766)	12,774				11,008
Decrease in accounts receivable	15,992					15,992
Increase in compensated absences payable	23,841					23,841
(Decrease) in other liabilities		(5,042)				(5,042)
Increase (decrease) in accrued salaries	3,374		(1,123)		103	2,354
Net cash (used in) provided by operating activities	<u>\$ (2,291,125)</u>	<u>\$ 432,238</u>	<u>\$ (110,361)</u>	<u>\$ 142,016</u>	<u>\$ 81,412</u>	<u>\$ (1,745,820)</u>
Noncash noncapital financing activities						
The District received \$401,117 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2016.						

Fiduciary Funds

Toms River Regional School District
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2016

	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust	Agency Funds
Assets			
Cash and cash equivalents	\$ 57,152	\$ 5,593,291	\$ 7,167,782
Total assets	57,152	5,593,291	\$ 7,167,782
Liabilities			
Payroll deductions and withholdings payable			\$ 6,465,919
Accounts payable		65,727	
Due to class funds			38,232
Due to student groups			663,631
Total liabilities		65,727	\$ 7,167,782
Net position			
Held in trust for unemployment benefits		\$ 5,527,564	
Held in trust for scholarships	\$ 57,152		

Toms River Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2016

	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust
Additions		
Interest received	\$ 377	\$ 32
Contributions-employees		379,841
Donations	14,898	
Total additions	<u>15,275</u>	<u>379,873</u>
Deductions		
Scholarships awarded	18,716	
Unemployment claims		319,268
Total deductions	<u>18,716</u>	<u>319,268</u>
Change in net position	(3,441)	60,605
Net position-beginning of the year	60,593	5,466,959
Net position-end of the year	<u>\$ 57,152</u>	<u>\$ 5,527,564</u>

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

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, 2016

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, 2016

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.

In accordance with GASB 72 implemented during fiscal year ended June 30, 2016, funds invested in solar renewable energy certificates associated with the current fiscal period are considered revenue under the full accrual and modified accrual basis of accounting. These investments, however, are not recognized on the budgetary basis of accounting until sold or expected to be sold within 60 days after year end.

The District has reported the following major governmental funds:

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

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.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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

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.

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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

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, 2016

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, 2016

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 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, 2016

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, 2016, there was \$3,564 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, 2016

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, 2016, a liability existed for compensated absences in the government-wide financial statements in the amount of \$12,708,918. 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 \$136,729.

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 of Resources

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

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, 2016 amounted to \$324,006.

As of June 30, 2016, the District has recorded an unamortized balance of \$3,083,357 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, 2016

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, 2016

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances (continued)

Of the \$15,585,901 of general fund balance at June 30, 2016, \$2,706,175 of encumbrances are offset by an unrestricted deficit of \$1,751,397, resulting in the \$954,778 balance assigned to other purposes, \$4,419,305 is restricted in a capital reserve (\$1,105,910 of the balance is being utilized as part of the 2016-17 budget), \$8,147,733 is restricted in a maintenance reserve (\$3,470,513 of the balance is being utilized as part of the 2016-17 budget), and \$704,965 is restricted in an emergency reserve, \$159,120 of the fund balance has been restricted for excess surplus – current year, \$1,062,691 of prior year excess surplus has been designated for subsequent years expenditures, and \$137,309 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. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$26,997,539 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

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. \$1,062,691 of prior year excess fund balance was included in the 2016-17 approved budget. The excess fund balance generated in the 2016 fiscal year is \$159,120, which will be appropriated in the 2017-18 budget.

R. GASB Pronouncements

Recently Issued and Adopted Accounting Principles

GASB 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 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 adopted GASB 72 during the year ended June 30, 2016.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Recently Issued Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the District in the 2018 fiscal year. Management has not yet determined the impact of this Statement on the financial statements.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

R. GASB Pronouncements (continued)

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB 77”). This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the District in the 2017 fiscal year. Management has not yet determined the impact of this Statement on financial statement note disclosures.

S. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2016 and December 5, 2016, 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 \$78,019,133 difference are as follows:

Bonds payable	\$53,405,000
Unamortized Bond Premium	1,693,399
Notes payable	1,279,838
Deferred pension obligations	904,085
Capital leases payable	3,027,893
Community Disaster Loan (CDL)	5,000,000
Compensated absences payable	<u>12,708,918</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$78,019,133</u>

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

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.

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:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

3. Deposits and Investments (continued)

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, 2016, the carrying amount of the District's deposits for all funds was \$31,263,285 and the bank balance was \$33,898,198. Of the bank balance, \$1,088,069 of the District's cash deposits on June 30, 2016 were secured by federal depository insurance.

The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered \$26,103,973 of the bank balance. \$6,706,156 held in the District agency accounts are not covered by GUDPA.

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

3. Deposits and Investments (continued)

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, 2016, the District's investment balances of \$108,999 were in Solar Renewable Energy Certificates. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurement as of June 30, 2016:

- Solar Renewable Energy Credits in the amount of \$108,999 are valued using quoted market prices (Level 1 inputs)

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District's shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2016, the District's balance was \$412,999.

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.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

3. Deposits and Investments (continued)

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, 2016, 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, 2016.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2016:

	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	20,763,439	\$ 1,240,734			22,004,173
Buildings and building improvements	323,687,188	792,660			324,479,848
Machinery, equipment and vehicles	21,443,086	935,517	\$ (392,929)	\$ (7,799)	21,977,875
Total capital assets being depreciated	365,893,713	2,968,911	(392,929)	(7,799)	368,461,896
Less accumulated depreciation for:					
Land improvements	14,068,213	1,004,712			15,072,925
Buildings and building improvements	173,833,942	5,789,864			179,623,806
Machinery, equipment and vehicles	18,139,012	722,076	(377,590)	(7,074)	18,476,424
Total accumulated depreciation	206,041,167	7,516,652	(377,590)	(7,074)	213,173,155
Total capital assets, being depreciated, net	159,852,546	(4,547,741)	(15,339)	(725)	155,288,741
Governmental activities capital assets, net	\$165,221,469	\$(4,547,741)	\$ (15,339)	\$ (725)	\$160,657,664

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

4. Capital Assets (continued)

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

Instruction	\$4,651,597
Attendance/social work	7,575
Health services	139,881
Guidance services	185,185
Other support services	377,824
Improvement of instruction	127,912
School library	82,578
General administration	149,634
School administration	347,659
Central services	96,087
Administrative IT	74,573
Required maintenance	133,146
Operation of plant	569,830
Security	50,970
Student transportation	522,201
Total depreciation expense – governmental activities	<u>\$7,516,652</u>

The following is a summary of business-type changes in capital assets for the year ended June 30, 2016.

	<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 capital assets not being depreciated	1,421,600				1,421,600
Capital assets, being depreciated:					
Land improvements	484,095	\$ 4,312			488,407
Buildings and building improvements	10,283,728	50,329			10,334,057
Machinery and equipment	2,485,725	35,664	\$ (10,800)	\$ 7,799	2,518,388
Total capital assets being depreciated	13,253,548	90,305	(10,800)	7,799	13,340,852
Less accumulated depreciation for:					
Land improvements	323,214	24,313			347,527
Buildings and building improvements	3,037,133	233,549			3,270,682
Machinery and equipment	1,981,585	83,362	(7,074)	7,074	2,064,947
Total accumulated depreciation	5,341,932	341,224	(7,074)	7,074	5,683,156
Total business-type activities capital assets, net	\$ 9,333,216	\$ (250,919)	\$ (3,726)	\$ 725	\$ 9,079,296

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

5. Long-Term Liabilities

During the year ended June 30, 2016, 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	\$12,274,697	\$1,850,107	\$(1,415,886)	\$12,708,918	\$806,739
Community Disaster Loan (CDL)	5,000,000			5,000,000	
Bonds payable	57,705,000		(4,300,000)	53,405,000	4,460,000
Notes payable	1,462,672		(182,834)	1,279,838	182,834
Premium on bonds	1,832,403		(139,004)	1,693,399	139,004
Deferred pension obligations	960,454		(56,369)	904,085	61,207
Capital leases payable	4,174,756		(1,146,863)	3,027,893	986,008
Subtotal	<u>83,409,982</u>	<u>1,850,107</u>	<u>(7,240,956)</u>	<u>78,019,133</u>	<u>6,635,792</u>
Net pension liability	78,094,385	12,716,737		90,811,122	
Total governmental activities long-term liabilities	<u>\$ 161,504,367</u>	<u>\$ 14,566,844</u>	<u>\$ (7,240,956)</u>	<u>\$ 168,830,255</u>	<u>\$ 6,635,792</u>

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

During the year ended June 30, 2016, the following changes occurred in business-type long-term liabilities attributable to the food service enterprise fund:

	Beginning Balance	Additions	Ending Balance
Business-type activities: Compensated absences payable	<u>\$ 112,888</u>	<u>\$ 23,841</u>	<u>\$ 136,729</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, 2016

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:			
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	5,160,000	1,152,542	6,312,542
2022-2026	24,475,000	2,819,703	27,294,703
2027-2029	4,935,000	301,300	5,236,300
	<u>\$ 53,405,000</u>	<u>\$ 10,669,333</u>	<u>\$ 64,074,333</u>

Bonds payable at June 30, 2016 are comprised of the following issues:

\$12,440,000, 2007 refunding bonds, due in annual installments ranging from \$1,290,000 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 \$1,175,000 to \$1,485,000 through July 15, 2022 at interest rates ranging from 3.00% to 4.00%.

\$17,635,000, 2012 refunding bonds, due in annual installments ranging from \$1,045,000 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 \$945,000 to \$4,630,000 through July 15, 2024 at interest rates ranging from 4.80% to 5.25%.

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:			
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	182,834	5,256	188,090
2022-2023	365,668	4,205	369,873
	<u>\$ 1,279,838</u>	<u>\$ 51,512</u>	<u>\$ 1,331,350</u>

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

5. Long-Term Liabilities (continued)

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:			
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	85,086	51,848	136,934
2022-2026	540,805	136,414	677,219
	<u>\$ 904,085</u>	<u>\$ 457,804</u>	<u>\$ 1,361,889</u>

Capital Leases Payable

The District is leasing various items under several capital leases. The following is a schedule of the future minimum lease payments and the net present value of the net minimum payments at June 30, 2016:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 986,008	\$ 44,511	\$ 1,030,519
2018	918,604	27,940	946,544
2019	771,975	14,515	786,490
2020	351,306	4,460	355,766
	<u>\$ 3,027,893</u>	<u>\$ 91,426</u>	<u>\$ 3,119,319</u>

Operating Leases

The District leases copier equipment. The future minimum rental payments under the operating lease agreements total \$24,341 for the year ending June 30, 2016. 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>
2017	\$ 34,394
2018	34,394
2019	24,834
2020	12,477
2021	2,682
Total Minimum Lease Payments	<u>\$ 108,781</u>

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

5. Long-Term Liabilities (continued)

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 years, respectively. The amount of principal and interest accrued through June 30, 2016 is \$5,000,000 and \$208,441, respectively. This loan is in the process of being reviewed by FEMA and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. A decision from FEMA is expected in 2017. The loan matures in 2018.

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.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

6. Pension Plans (continued)

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.

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, 2016

6. Pension Plans (continued)

During the year ended June 30, 2016, the State of New Jersey contributed \$15,735,253 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 \$6,789,380 during the year ended June 30, 2016 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, 2016, 2015, and 2014 were \$3,477,959, \$3,438,594, and \$3,028,822, 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, 2016, the District reported a liability of \$90,811,122 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. 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, 2015, the District's proportion was 0.4045399954 percent, which was a decrease of 0.0125699221 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized full accrual pension expense of \$5,983,379 in the government-wide financial statements. At June 30, 2016, 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, 2016

6. Pension Plans (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,166,434	
Changes of assumptions	9,752,389	
Net difference between projected and actual earnings on pension plan investments		\$ 1,460,068
Changes in proportion and differences between District contributions and proportionate share of contributions	1,993,871	1,996,660
District contributions subsequent to the measurement date	3,600,625	
	\$ 17,513,319	\$ 3,456,728

\$3,600,625 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:

2017	\$ 1,922,110
2018	1,922,110
2019	1,922,110
2020	3,085,610
2021	1,604,026
	\$ 10,455,966

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
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%

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

6. Pension Plans (continued)

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015 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.

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, 2015 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 (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
\$ 112,867,113	\$ 90,811,122	\$ 72,319,538

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.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

6. Pension Plans (continued)

Additional Information

Collective balances of the Local Group at June 30, 2015 are as follows:

Deferred outflows of resources	\$	3,578,755,666
Deferred inflows of resources	\$	993,410,455
Net pension liability	\$	22,447,996,119
 District's Proportion		 0.4045399954%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,481,308,816.

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 June 30, 2015 and 2014 is 5.72 years and 6.44 years, respectively.

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, 2015 was \$559,789,890. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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, 2015, the State's proportionate share of the TPAF net pension liability associated with the District was 0.8856836534 percent, which was a decrease of 0.0004525276 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$34,180,213 for contributions incurred by the State.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

6. Pension Plans (continued)

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%

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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. 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 3.80% as of June 30, 2015 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.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

6. Pension Plans (continued)

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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's proportionate share of the net pension liability associated with the District	\$ 665,289,360	\$ 559,789,890	\$ 468,895,783

Pension plan fiduciary net position

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

Additional Information

Collective balances of the Local Group at June 30, 2015 are as follows:

Deferred outflows of resources	\$ 7,522,890,856
Deferred inflows of resources	\$ 623,365,110
Net pension liability	\$ 63,204,270,305

State's proportionate share associated with the District	0.8856836534%
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Collective pension expense for the plan for the measurement period ended June 30, 2015 is \$3,854,529,453.

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 June 30, 2015 and 2014 is 8.3 and 8.5 years, respectively.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

7. Post-Retirement Benefits

State Plan

Plan Description

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

Funding Policy

P.L. 1987, chapter 384 and P.L. 1990, Chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 benefits 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 employer paid 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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, 2016, 2015 and 2014 were \$8,552,579, \$7,601,476, and \$6,146,491, 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.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

District Plan

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

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, 2016, the District’s annual OPEB cost (expense) of \$288,869 was higher than the ARC of \$152,864, as the cost was based on actual premiums paid during the 2015-16 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, 2016:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

7. Post-Retirement Benefits (continued)

Benefit Obligations and Normal Cost

	<u>June 30, 2016</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, 2016</u>
Annual required Contribution	<u>\$ 152,864</u>
Interest on net OPEB obligation	-
Adjustment to OPEB	-
Annual OPEB cost (expense)	152,864
Employer contributions	(288,869)
Net OPEB obligation (asset)-beginning of year	<u>(197,166)</u>
Net OPEB obligation (asset)- end of year	<u><u>\$(333,171)</u></u>

Funded Status and Funding Progress

As of June 30, 2016 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, 2016

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, 2016 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, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 848,696	
Special Revenue Fund		\$ 558,939
Food Service Enterprise Fund		289,757
	<u>\$ 848,696</u>	<u>\$ 848,696</u>

The general fund interfund receivable is due from the special revenue fund in the amount of \$558,939 and \$289,757 from the food service enterprise fund, both for a transfer during 2015-2016 to cover a cash deficit that is due back to the general fund.

All interfunds are expected to be repaid within one year.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

8. Interfund Receivables and Payables (continued)

Transfers – Reconciliation

The following presents a reconciliation of transfers made during the 2016 fiscal year:

	Transfers In	Transfers Out
General Fund	\$ 112,280	
Bennett Complex Enterprise Fund		\$ 20,972
Pine Belt Arena Enterprise Fund		91,308
	\$ 112,280	\$ 112,280

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 \$20,972 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 2016 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, 2016

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 Meritain and on a monthly basis Meritain bills the District for actual claims paid.

This activity is reported in the government-wide financial statements and includes an accrual for health insurance claims incurred but not reported in the amount of \$5,542,952 at June 30, 2016. 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 2016 and 2015 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2015-16	\$ 5,702,456	\$ 47,103,425	\$ 47,262,929	\$ 5,542,952
2014-15	5,309,016	44,474,452	44,081,012	5,702,456

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

10. Risk Management (continued)

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 2016 and 2015 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2015-16	\$ 6,363,322	\$ 3,552,388	\$ 2,353,831	\$ 7,561,879
2014-15	5,491,369	3,097,003	2,225,050	6,363,322

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

New Jersey Unemployment Compensation Insurance

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

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

Fiscal Year	Interest on Investments	Contributions	Amount Paid	Ending Balance
2015-16	\$ 32	\$ 379,841	\$ 319,268	\$ 5,527,564
2014-15	9	385,311	338,663	5,466,959
2013-14	7	385,302	292,693	5,420,302

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

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 \$4,419,305, \$8,147,733 and \$704,965, 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 both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

13. Capital Reserve Account (continued)

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, June 30, 2015	\$ 4,023,926
Budget withdrawal	(1,835,000)
Interest earnings	2
Deposits:	
Approved by June 2016 resolution	2,000,000
Unused capital outlay funds	230,377
Ending balance, June 30, 2016	\$ 4,419,305

The June 30, 2016 balance in the capital reserve account did not exceed the local support costs of uncompleted capital projects. The District has budgeted \$1,105,910 of the June 30, 2016 capital reserve balance in its 2016-17 fiscal year budget.

14. Maintenance Reserve Account

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

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

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, June 30, 2015	\$ 6,647,730
Budget withdrawal	(500,000)
Interest earnings	3
Deposits:	
Approved by June 2016 resolution	2,000,000
Ending balance, June 30, 2016	\$ 8,147,733

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2016. The District has budgeted \$3,470,513 of the June 30, 2016 maintenance reserve balance in its 2016-17 fiscal year budget.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, June 30, 2015	\$ 704,964
Interest earnings	1
Ending balance, June 30, 2016	\$ 704,965

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, 2016 may be impaired. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board. However certain cases have a high probability of an unfavorable outcome. Therefore, an accrual of \$300,000 has established in the governmental funds to address any litigation matters that pertain to fiscal year ended June 30, 2016.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

17. Excess of Expenditure Over an Appropriation

The over-expenditure in the general fund was due to unforeseen litigation matters that arose subsequent to the close of the June 30, 2016 financial statements. Consequently, insufficient funds budgeted in the judgments against school district's budget line resulted in this over-expenditure. Expenditures exceeded an appropriation in the following budgetary accounts in the General Fund:

- Support services – general administration – Judgments against District - \$300,000

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

18. Commitments

The District has contractual commitments at June 30, 2016 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$2,706,175.

19. Community Development Block Grant

The District received a Community Development Block Grant in the amount of \$7,342,361 which reduced the General Fund Levy for 2015-16. 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. This was the final year (of a three year period) the grant was made available to the District.

20. 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, 2016 is \$904,085.

21. Extraordinary Item

The former superintendent for the District was ordered to pay \$4,336,988 in restitution to the School District. The District received \$899,703 of the funds during the fiscal year ended June 30, 2016, 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.

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, 2016

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, 2016

Fiscal Year Ended	Employer Contributions
June 30, 2016	\$ 288,869
June 30, 2015	272,410
June 30, 2014	230,484

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

Required Supplementary Information - Part II

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

Toms River Regional School District
 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4019779833%	0.4171099175%	0.4045399954%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 76,825,980	\$ 78,094,385	\$ 90,811,122
District's covered-employee payroll	\$ 24,420,067	\$ 25,952,768	\$ 26,886,579	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,783,291	\$ 28,464,560	\$ 27,539,772	\$ 27,569,910
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	269.90%	283.57%	329.38%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48.72%	52.08%	47.93%

N/A - Information not available

See Note to Required Supplementary Information

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually required contribution	\$ 836,069	\$ 1,547,266	\$ 2,154,276	\$ 2,476,460	\$ 3,193,445	\$ 3,375,594	\$ 3,193,343	\$ 3,438,594	\$ 3,477,959	\$ 3,600,625
Contributions in relation to the contractually required contribution	(836,069)	(1,547,266)	(2,154,276)	(2,476,460)	(3,193,445)	(3,375,594)	(3,193,343)	(3,438,594)	(3,477,959)	(3,600,625)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 25,952,768	\$ 26,886,579	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,783,291	\$ 28,464,560	\$ 27,539,772	\$ 27,569,910	\$ 26,829,471
Contributions as a percentage of covered-employee payroll	3.22%	5.75%	7.63%	8.34%	11.35%	12.15%	11.22%	12.49%	12.62%	13.42%

See Note to Required Supplementary Information

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

Last Ten Fiscal Years*

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

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

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

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

See Note to Required Supplementary Information

Toms River Regional School District
Notes to Required Supplementary Information
Year ended June 30, 2016

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015.

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

Required Supplementary Information

Part III

Budgetary Comparison Schedules

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

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 137,569,026		\$ 137,569,026	\$ 137,569,066	\$ 40
Tuition from individuals	11,911		11,911	167,489	155,578
Interest on investments				4,782	4,782
Interest on capital reserve	1		1	2	1
Interest on maintenance reserve	3		3	3	
Interest on emergency reserve	1		1	1	
Transportation fees from other LEAs within the State	80,000		80,000	84,530	4,530
Tuition from other LEAs within the State	543,808		543,808	822,856	279,048
Tuition from other sources				153,164	153,164
Rental income	100,000		100,000	145,635	45,635
Solar Credits				422,623	422,623
Miscellaneous	922,276		922,276	615,754	(306,522)
Total - local sources	139,227,026		139,227,026	139,985,905	758,879
State sources:					
Special Education Categorical Aid	9,141,043		9,141,043	9,141,043	
Extraordinary Aid	561,500		561,500	1,062,889	501,389
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				23,664	23,664
PARCC Readiness Aid	155,830		155,830	155,830	
Per Pupil Growth Aid	155,830		155,830	155,830	
Reimbursed TPAF social security contributions				6,789,380	6,789,380
Reimbursed TPAF pension contributions				7,182,674	7,182,674
Reimbursed TPAF Post-Retirement Medical				8,552,579	8,552,579
Total - state sources	68,585,221		68,585,221	91,634,907	23,049,686
Federal sources:					
Medicaid reimbursement	283,265		283,265	468,175	184,910
Community Development Block Grant	7,342,361		7,342,361	7,342,361	
Total - federal sources	7,625,626		7,625,626	7,810,536	184,910
Total revenues	215,437,873		215,437,873	239,431,348	23,993,475
Expenditures					
Current :					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/Kindergarten	3,627,067	\$ (251,962)	3,375,105	3,375,105	
Grades 1-5	22,461,931	(1,204,840)	21,257,091	21,257,091	
Grades 6-8	15,278,526	(697,497)	14,581,029	14,581,029	
Grades 9-12	21,935,087	(1,338,522)	20,596,565	20,596,565	
	63,302,611	(3,492,821)	59,809,790	59,809,790	-

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Instruction-home instruction:					
Salaries of teachers	\$ 100,000	\$ 116,425	\$ 216,425	\$ 216,425	
Purchased professional educational services	95,000	34,571	129,571	113,230	\$ 16,341
Regular programs - undistributed instruction:					
Other salaries for instruction	91,592	6,540	98,132	98,132	
Purchased professional educational services	164,000	2,201,590	2,365,590	2,365,590	
Purchased professional technical services	210,000	57,000	267,000	253,000	14,000
Other purchased services	920,250	(60,108)	860,142	749,189	110,953
General supplies	2,387,566	(70,294)	2,317,272	1,971,923	345,349
Textbooks	1,340,500	(116,587)	1,223,913	1,045,443	178,470
Other objects	66,000	61,476	127,476	99,594	27,882
Total regular programs	68,677,519	(1,262,208)	67,415,311	66,722,316	692,995
Special education:					
Cognitive - Mild:					
Salaries of teachers	407,053	73,171	480,224	480,224	
Other salaries for instruction	398,216	(111,396)	286,820	284,103	2,717
Other purchased services		64,229	64,229	54,008	10,221
General supplies	3,000	1,670	4,670	4,376	294
Total Cognitive - Mild	808,269	27,674	835,943	822,711	13,232
Special education:					
Cognitive - Moderate:					
Salaries of teachers	129,920	479	130,399	130,399	
Other salaries for instruction	62,728	2,970	65,698	65,141	557
Purchased professional educational services	30,000	(21,953)	8,047	7,500	547
General supplies	1,500	4,300	5,800	4,663	1,137
Total Cognitive - Moderate	224,148	(14,204)	209,944	207,703	2,241
Auditory Impairments:					
Salaries of teachers	141,462	(373)	141,089	141,089	
Other salaries for instruction	29,161	(27,540)	1,621	600	1,021
Purchased professional and educational services	81,000	3,167	84,167	61,022	23,145
General supplies	4,300	5,390	9,690	9,211	479
Total auditory impairments	255,923	(19,356)	236,567	211,922	24,645
Learning and/or language disabilities:					
Salaries of teachers	2,395,524	(6,205)	2,389,319	2,388,906	413
Other salaries of instruction	1,051,051	130,886	1,181,937	1,181,675	262
Purchased professional and educational services		196,889	196,889	196,883	6
General supplies	271,618	(4,726)	266,892	264,255	2,637
Other objects		21,700	21,700	21,700	
Total Learning and/or language disabilities	3,718,193	338,544	4,056,737	4,053,419	3,318
Behavioral disabilities:					
Salaries of teachers	464,043	2,237	466,280	466,280	
Other salaries for instruction	205,103	(54,642)	150,461	145,100	5,361
Purchased professional and educational services	37,600	38,948	76,548	67,447	9,101
General supplies	5,438	162	5,600	5,195	405
Textbooks	600	(337)	263	263	
Other objects		175	175	175	
Total behavioral disabilities	712,784	(13,457)	699,327	684,460	14,867

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Special education (continued):					
Multiple disabilities:					
Salaries of teachers	\$ 274,256	\$ (5,426)	\$ 268,830	\$ 268,830	
Other salaries of instruction	329,071	(3,281)	325,790	325,203	\$ 587
Purchased professional and educational services		50,505	50,505	49,606	899
General supplies	4,800	5,284	10,084	7,492	2,592
Other objects	500	(500)			
Total multiple disabilities	608,627	46,582	655,209	651,131	4,078
Resource room/center:					
Salaries of teachers	6,761,057	(67,306)	6,693,751	6,693,751	
Other salaries of instruction	44,069		44,069	44,069	
Purchased professional and educational services		145,349	145,349	135,329	10,020
Textbooks	2,800	(166)	2,634	2,633	1
General supplies	27,600	(6,384)	21,216	18,519	2,697
Total resource room/center	6,835,526	71,493	6,907,019	6,894,301	12,718
Autism					
Salaries of teachers	1,326,861	(57,018)	1,269,843	1,269,843	
Other salaries of instruction	1,149,539	69,907	1,219,446	1,219,417	29
Purchased professional and educational services	300,000	261,119	561,119	475,014	86,105
General supplies	49,900	(23,086)	26,814	21,597	5,217
Other Objects		500	500	500	
Total autism	2,826,300	251,422	3,077,722	2,986,371	91,351
Preschool disabilities - part time:					
Salaries of teachers	1,158,177	(338,342)	819,835	819,835	
Other salaries of instruction	511,649	(119,040)	392,609	390,736	1,873
Other purchased services		67,380	67,380	67,163	217
General supplies	16,600	(3,845)	12,755	11,227	1,528
Other Objects	500	8	508	200	308
Total preschool disabilities - part time	1,686,926	(393,839)	1,293,087	1,289,161	3,926
Preschool disabilities - full time:					
Salaries of teachers		376,043	376,043	373,439	2,604
Other salaries of instruction		119,902	119,902	117,427	2,475
Purchased professional and educational services		45,500	45,500	42,870	2,630
General supplies	2,200	(2,200)			
Total preschool disabilities - full time	2,200	539,245	541,445	533,736	7,709
Home instruction:					
Salaries of teachers	150,000	(5,504)	144,496	144,496	
Purchased professional - educational services	145,000	(96,671)	48,329	41,661	6,668
Total home instruction	295,000	(102,175)	192,825	186,157	6,668
Total special education	17,973,896	731,929	18,705,825	18,521,072	184,753
Basic skills/remedial:					
Salaries of teachers	970,809	(188,851)	781,958	781,717	241
Other purchased services	500	(120)	380		380
General supplies	8,200	91,082	99,282	82,763	16,519
Textbooks	1,500	(1,500)			
Other objects		47,500	47,500	47,500	
Total basic skills/remedial	981,009	(51,889)	929,120	911,980	17,140
Bilingual education:					
Salaries of teachers	467,220	7,447	474,667	474,667	
Other purchased services	3,200	(3,100)	100	69	31
General supplies	5,000	(2,330)	2,670	2,670	
Textbooks		12,100	12,100	11,620	480
Other objects	2,500	(2,500)			
Total bilingual education	477,920	11,617	489,537	489,026	511

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
School sponsored cocurricular and extra-curricular activities:					
Salaries	\$ 595,000	\$ (16,884)	\$ 578,116	\$ 573,895	\$ 4,221
Purchased professional and educational services	52,000	16,580	68,580	53,598	14,982
Supplies and materials	97,200	(21,356)	75,844	44,368	31,476
Other objects	16,000	31,587	47,587	39,566	8,021
Total school sponsored cocurricular and extra-curricular activities	760,200	9,927	770,127	711,427	58,700
School sponsored athletic activities:					
Salaries	2,467,223	(30,500)	2,436,723	2,317,637	119,086
Purchased professional and educational services	361,800	39,859	401,659	348,867	52,792
Supplies and materials	233,500	13,095	246,595	214,942	31,653
Other objects	130,500	(28,744)	101,756	97,519	4,237
Total school sponsored athletic activities	3,193,023	(6,290)	3,186,733	2,978,965	207,768
Community service programs - operations					
Salaries	24,345	345	24,690	24,690	
Purchased professional and educational services	2,250		2,250		2,250
Supplies and materials	4,200	2	4,202	1,217	2,985
Other objects	1,000		1,000		1,000
Total community service programs - operations	31,795	347	32,142	25,907	6,235
Total - instruction	92,095,362	(566,567)	91,528,795	90,360,693	1,168,102
Undistributed expenditures:					
Instruction:					
Tuition to other school districts in the state-regular	40,000	51,966	91,966	90,291	1,675
Tuition to other school districts in the state-special	136,964	775	137,739	111,024	26,715
Tuition to county vocational-regular	281,500	(27,500)	254,000	254,000	
Tuition to CCSD and reg. day schools	1,348,607	(150,087)	1,198,520	1,193,383	5,137
Tuition to private school - hand in state	1,650,081	31,007	1,681,088	1,570,695	110,393
Tuition to private school - hand out state	534,737	(38,872)	495,865	425,380	70,485
Tuition to state facilities	184,030		184,030	184,030	
Tuition - other	129,800	(14,018)	115,782	115,782	
Total undistributed expenditures - instruction	4,305,719	(146,729)	4,158,990	3,944,585	214,405

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 224,900	\$ (62,459)	\$ 162,441	\$ 162,441	
Purchased professional and technical services	2,500	(1,441)	1,059	1,059	
Total attendance and social work services	227,400	(63,900)	163,500	163,500	
Health services:					
Salaries	2,304,854	32,255	2,337,109	2,337,109	
Purchased professional and technical services	405,000	189,603	594,603	559,622	\$ 34,981
Supplies and materials	110,800	11,527	122,327	121,497	830
Other objects		1,099	1,099	1,099	
Total health services	2,820,654	234,484	3,055,138	3,019,327	35,811
Guidance services:					
Salaries of other professional staff	3,374,801	(75,906)	3,298,895	3,298,894	
Salaries secretary/clerical assistants	755,000	18,672	773,672	682,854	90,818
Purchased professional educational services	1,000	320	1,320	620	700
Other purchased services	1,750	(1,750)			
Supplies and materials	30,500	(16,598)	13,902	12,121	1,781
Other objects	10,300	(7,407)	2,893	2,731	162
Total guidance services	4,173,351	(82,669)	4,090,682	3,997,220	93,461
Child study team:					
Salaries of other professional staff	2,724,921	(33,111)	2,691,810	2,691,810	
Salaries of secretarial and clerical assistants	415,503	(11,217)	404,286	404,286	
Purchased professional educational services	100,000	293,112	393,112	337,692	55,420
Other purchased prof. and tech. services	50,000	(16,612)	33,388	33,388	
misc purch ser (400-500 o/than resid costs)		157	157	157	
Supplies and materials	49,000	(4,141)	44,859	42,122	2,737
Other objects	1,000	193	1,193	1,193	
Total child study team	3,340,424	228,381	3,568,805	3,510,648	58,157
Speech, OT, PT and related services:					
Salaries	2,103,853	(233,718)	1,870,135	1,870,135	
Purchased professional educational services	1,193,692	183	1,193,875	1,189,333	4,542
Supplies and materials	15,050	730	15,780	14,119	1,661
Total speech, OT, PT and related services	3,312,595	(232,805)	3,079,790	3,073,587	6,203
Other Support Services - Extraordinary					
Salaries	3,500		3,500	3,500	
Supplies and materials	4,000	(2,712)	1,288	1,288	
Other objects	2,000	(2,000)			
Total other support services - extraordinary	9,500	(4,712)	4,788	4,788	

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

Expenditures	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Current (continued):					
Undistributed expenditures (continued):					
Improvement of instruction services:					
Salaries of supervisors of instruction	\$ 2,773,470	\$ (1)	\$ 2,773,469	\$ 2,683,474	\$ 89,995
Salaries of other prof. staff	20,000	(10,223)	9,777	9,777	
Salaries of secretarial and clerical assistants	34,794	(82)	34,712	34,712	
Purchased professional and technical services	25,000	1,065	26,065	26,065	
Other purchased services	6,000	(5,065)	935	852	83
Supplies and materials	11,000	(5,990)	5,010	4,957	53
Other objects	10,000	(8,856)	1,144	1,144	
Total improvement of instruction services	2,880,264	(29,152)	2,851,112	2,760,981	90,131
Educational media/library services:					
Salaries	1,620,000	70,366	1,690,366	1,690,366	
Purchased professional and technical services	2,000	(2,000)			
Other purchased services	5,000	(5,000)			
Supplies and materials	139,000	(44,994)	94,006	92,072	1,934
Total educational media/library services	1,766,000	18,372	1,784,372	1,782,438	1,934
Instructional staff training services:					
Salaries of Supervisors of Instruction	37,000	16,062	53,062	53,062	
Purchased professional - educational services	145,000	(16,584)	128,416	128,416	
Other objects	10,000	5,841	15,841	15,840	1
Total instructional staff training services	192,000	5,319	197,319	197,318	1
Support services - general administration:					
Salaries	1,367,195	(101,874)	1,265,321	1,265,320	1
Legal Fees	250,000	187,956	437,956	437,956	
Audit Services	90,000	(13,875)	76,125	76,125	
Architectural/engineering services	90,000	194,406	284,406	45,632	238,774
Other purchased professional services	95,000	34,540	129,540	89,686	39,854
Communications/telephone	633,000	(50,855)	582,145	537,795	44,350
BOE other purchased services	7,500	(5,165)	2,335	2,335	
Miscellaneous purchased services	568,342	(65,647)	502,695	353,201	149,494
General supplies	21,500	(8,548)	12,952	12,877	75
BOE In-house training/meeting supplies	5,000	(533)	4,467	4,467	
Judgments against school district	40,000	(13,092)	26,908	326,908	(300,000)
Miscellaneous expenditures	58,500	(7,610)	50,890	50,890	
Board of education membership dues and fees	28,000	(1,337)	26,663	26,663	
Total support services - general administration	3,254,037	148,366	3,402,403	3,229,855	172,548
Support services - school administration:					
Salaries of principals/asst. principals	4,799,890	(47,290)	4,752,600	4,752,600	
Salaries of secretarial and clerical assistants	2,597,149	(31,319)	2,565,830	2,565,830	
Purchased professional and technical services	2,000	(2,000)			
General supplies	57,500	1,364	58,864	56,974	1,890
Other objects	109,600	54,029	163,629	128,824	34,805
Total support services - school administration	7,566,139	(25,216)	7,540,923	7,504,228	36,695

Toms River Regional School District
General Fund

Budgetary Comparison Schedule

(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Central services:					
Salaries	\$ 1,967,930	\$ (39,118)	\$ 1,928,812	\$ 1,928,812	
Purchased prof. services	10,000	8,524	18,524	18,524	
Purchased technical services	20,000	(599)	19,401	14,311	\$ 5,090
Miscellaneous purchased services	47,600	(23,396)	24,204	20,844	3,360
Supplies and materials	84,990	(31,425)	53,565	49,775	3,790
Interest on lease purchase agreements	27,500	(5,820)	21,680	20,423	1,257
Miscellaneous expenditures	21,750	(393)	21,357	21,357	
Total central services	2,179,770	(92,227)	2,087,543	2,074,046	13,497
Administrative information technology:					
Salaries	1,253,133	(1)	1,253,132	1,182,487	70,645
Purchased professional and educational services	20,000	(218)	19,782	19,782	
Purchased technical services	275,000	124	275,124	209,325	65,799
Other purchased services	2,700	98,339	101,039	79,480	21,559
Supplies and materials	103,000	5,769	108,769	58,128	50,641
Other objects	55,257	5,201	60,458	60,458	
Total administrative information technology	1,709,090	109,214	1,818,304	1,609,660	208,644
Required maintenance for school facilities:					
Salaries	2,278,462	(48,244)	2,230,218	2,066,895	163,323
Cleaning, repair & maint. services	377,500	99,929	477,429	431,303	46,126
General supplies	350,000	52,593	402,593	369,075	33,518
Other objects	22,500	(15,717)	6,783	6,683	100
Total required maintenance for school facilities	3,028,462	88,561	3,117,023	2,873,956	243,067
Custodial services:					
Salaries	5,717,017	(231,723)	5,485,294	5,485,294	
Salaries of non-instructional aids	394,317	(29,071)	365,246	365,246	
Purchased professional & technical services	637,800		637,800	637,800	
Cleaning, repair & maint. services	335,200	(22,480)	312,720	290,574	22,146
Other purchased property services	450,000	10,164	460,164	458,243	1,921
Insurance	680,392	(122,193)	558,199	558,198	1
Misc. purchased services	26,500	(24,500)	2,000	2,000	
General supplies	455,000	(151,768)	303,232	281,665	21,567
Energy (electricity)	2,690,000	(251,527)	2,438,473	2,156,861	281,612
Energy (natural gas)	1,100,000	(473,840)	626,160	626,160	
Other objects	58,500	(29,541)	28,959	28,954	5
Total custodial services	12,544,726	(1,326,479)	11,218,247	10,890,995	327,252
Care & upkeep of grounds:					
Salaries	1,141,559	(72,164)	1,069,395	1,069,395	
Cleaning, repair & maint. services	70,000	67,653	137,653	111,447	26,206
General supplies	200,000	69,571	269,571	220,447	49,124
Other objects	20,000	(6,196)	13,804	7,513	6,291
Total care & upkeep of grounds	1,431,559	58,864	1,490,423	1,408,802	81,621
Security:					
Salaries	1,092,266	(26,966)	1,065,300	1,065,300	
Cleaning, repair, and maintenance services	25,000	(24,376)	624	624	
General supplies	30,000	1,482	31,482	30,898	584
Other objects	12,500	(9,121)	3,379	3,369	10
Total security	1,159,766	(58,981)	1,100,785	1,100,191	594
Student transportation services:					
Salaries of non-instructional aids					
Salaries for pupil trans. - regular	5,539,696	(494,732)	5,044,964	5,044,962	2
Salaries for pupil trans. - special ed.	2,610,238	51,277	2,661,515	2,661,515	
Salaries for pupil trans. - (other than between home and school)	100,000	76,896	176,896	176,896	
Cleaning, Repair and Maintenance Services	30,900	13,313	44,213	43,138	1,075
Contracted Services - Btwn Home & School - Vendors	425,000	(194,370)	230,630	230,630	
Contracted Services - Other Than Btwn Home & School - Vendors	25,000	8,163	33,163	29,913	3,250
Between Home and School - Joint Service Agreements	10,000	3,717	13,717	12,833	884
Contracted Services - Special Ed Stds - Vendors	1,300,000	(69,589)	1,230,411	1,029,262	201,149
Contracted Services - Special Ed Stds - Joint Agreements	80,000	(16,823)	63,177	63,177	
Regular Students - ESC	12,500	(12,500)			
Special Students - ESC	125,000	79,391	204,391	201,883	2,508
Contracted Services - Aid in Lieu of Payments	145,000	20,116	165,116	158,053	7,063
Other Purchased Services	160,000	(125,283)	34,717	34,717	
Transportation Supplies	690,000	166,175	856,175	820,300	35,875
Supplies and Materials	41,110	(23,913)	17,197	17,189	8
Other Objects	1,500,500	(1,500,500)			
Miscellaneous		943,866	943,866	747,254	196,612
Total student transportation services	12,794,944	(1,074,796)	11,720,148	11,271,722	448,426

Toms River Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current (continued):					
Undistributed expenditures (continued):					
Personnel services - unallocated employee benefits:					
Social Security Contributions	\$ 3,405,000	\$ (757,695)	\$ 2,647,305	\$ 2,647,305	
TPAF Contributions - ERIP	110,000	1,449	111,449	111,449	
Other Retirement Contributions - PERS	3,822,453	(273,627)	3,548,826	3,548,826	
Other Retirement Contribution - Deferred PERS	160,756	(13,707)	147,049	147,049	
Worker's Compensation	1,776,508	577,323	2,353,831	2,353,831	
Health Benefits	43,533,716	3,870,173	47,403,889	47,262,929	\$ 140,960
Tuition Reimbursement	60,000	(29,301)	30,699	29,287	1,412
Other Employee Benefits	1,869,250	374,262	2,243,512	2,206,894	36,618
Total personnel services - unallocated employee benefits	54,737,683	3,748,877	58,486,560	58,307,570	178,990
On-behalf payments:					
Reimbursed TPAF social security contributions				6,789,380	(6,789,380)
Reimbursed TPAF post retirement medical				8,552,579	(8,552,579)
Reimbursed TPAF pension contributions				7,182,674	(7,182,674)
Total on-behalf payments				22,524,633	(22,524,633)
Total undistributed expenditures	123,434,083	1,502,772	124,936,855	145,250,050	(20,313,196)
Total expenditures - current	215,529,445	936,205	216,465,650	235,610,743	(19,145,094)
Capital Outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	100,000	4,147	104,147	80,381	23,766
Grades 6-8	29,000	162	29,162	21,500	7,662
Grades 9-12	49,000	36,331	85,331	56,584	28,747
Special education - instruction:					
Learning and/or language disabilities		2,082	2,082	2,082	
Multiple disabilities	7,500	9,262	16,762	7,797	8,965
Autism	4,000	(4,000)			
Preschool disabilities - part time	6,500	162	6,662	4,495	2,167
School sponsored & other instructional programs	9,000	25,220	34,220	7,195	27,025
Undistributed expenditures:					
Support services - related & extraord.		4,339	4,339	2,072	2,267
Instructional Staff Training	6,000	5,024	11,024	10,002	1,022
General administration	1,000	(1,000)			
School administration	18,000	(9,000)	9,000		9,000
Central services	8,000	(500)	7,500		7,500
Administrative information technology	581,166	132,606	713,772	553,870	159,902
Maintenance of school facility	20,000	22,275	42,275	42,274	1
Custodial services	27,000	(10,151)	16,849	11,480	5,369
Care & upkeep of grounds	20,000	15,062	35,062	35,039	23
Security	20,000		20,000	18,994	1,006
Non-instructional equipment	42,000	(3,464)	38,536	9,667	28,869
School buses - regular		593,209	593,209	593,209	
Total equipment	948,166	821,766	1,769,932	1,456,641	313,291
Facilities acquisition and construction services:					
Architectural/engineering services	121,000		121,000	45,550	75,450
Purchased professional and technical		18,963	18,964	17,744	1,220
Construction services	1,964,000	1,084,736	3,048,736	2,162,952	885,784
Assessment of Debt Service SDA funding	371,261		371,261	371,261	
Total facilities acquisition and construction svcs.	2,456,261	1,103,699	3,559,961	2,597,507	962,454
Total capital outlay	3,404,428	1,925,465	5,329,893	4,054,148	1,275,745
Special Schools:					
Summer school - instruction:					
Salaries of teachers	37,500		37,500	31,169	6,332
General supplies	500		500		500
Other objects	1,000		1,000		1,000
Total summer school - instruction	39,000		39,000	31,169	7,832

Toms River Regional School District
 General Fund

Budgetary Comparison Schedule
 (Budgetary Basis)
 Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Total special schools	\$ 39,000		\$ 39,000	\$ 31,169	\$ 7,832
Total expenditures	218,972,873	\$ 2,861,670	221,834,543	239,696,060	(17,861,517)
(Deficiency) excess of revenues (under) over expenditures	(3,535,000)	(2,861,670)	(6,396,670)	(264,712)	6,131,958
Other financing sources:					
Return on Investment from enterprise funds				112,280	112,280
Total other financing sources				112,280	112,280
Extraordinary Item -Restitution proceeds				899,703	899,703
(Deficiency) excess of revenues (under) over expenditures, other financing sources, and extraordinary item	(3,535,000)	(2,861,670)	(6,396,670)	747,271	7,143,941
Fund balances, July 1	21,458,509		21,458,509	21,458,509	
Fund balances, June 30	\$ 17,923,509	\$ (2,861,670)	\$ 15,061,839	\$ 22,205,780	\$ 7,143,941
Recapitulation of (deficiency) of revenues (under) expenditures and other financing sources					
Budgeted fund balance	\$ (1,200,000)		\$ (1,200,000)	\$ 1,713,564	\$ 2,913,564
Withdrawal capital reserve	(1,835,000)		(1,835,000)	395,377	2,230,377
Withdrawal maintenance reserve	(500,000)		(500,000)	1,500,000	2,000,000
Adjustment for prior year encumbrances, net of cancellations		\$ (2,861,670)	(2,861,670)	(2,861,670)	
Total	\$ (3,535,000)	\$ (2,861,670)	\$ (6,396,670)	\$ 747,271	\$ 7,143,941
Recapitulation:					
Restricted - excess surplus - current year				\$ 159,120	
Restricted - excess surplus - prior year designated for subsequent years				1,062,691	
Assigned-designated for subsequent years				137,309	
Year end encumbrances				2,706,175	
Capital reserve-restricted				3,313,395	
Maintenance reserve-restricted				4,677,220	
Emergency reserve-restricted				704,965	
Capital reserve designated to subsequent year's budget				1,105,910	
Maintenance reserve designated to subsequent year's budget				3,470,513	
Unassigned fund balance				4,868,482	
				22,205,780	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid payments not recognized on GAAP basis				(6,682,280)	
Solar Renewable Energy Credits (SREC) Income				62,401	
Fund balance per Governmental Funds (GAAP)				\$ 15,585,901	

Toms River Regional School District
General Fund

Community Development Block Grant
Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2016

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources:					
Community Development Block Grant	\$ 7,342,361		\$ 7,342,361	\$ 7,342,361	
Total - federal sources	7,342,361		7,342,361	7,342,361	
Expenditures					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/Kindergarten	268,947		268,947	268,947	
Grades 1-5	2,815,428		2,815,428	2,815,428	
Grades 6-8	1,793,000		1,793,000	1,793,000	
Grades 9-12	2,464,986		2,464,986	2,464,986	
Total expenditures	7,342,361		7,342,361	7,342,361	
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, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 5,267,202	\$ 1,514,297	\$ 6,781,499	\$ 6,417,710	\$ (363,789)
State Sources	813,419	60,095	873,514	807,810	(65,704)
Local Sources	528,401	(83,693)	444,708	223,762	(220,946)
Total revenues	<u>6,609,022</u>	<u>1,490,699</u>	<u>8,099,721</u>	<u>7,449,282</u>	<u>(650,439)</u>
Expenditures:					
Instruction:					
Salaries of teachers	468,016	1,260,407	1,728,423	1,719,724	8,699
Purchased professional educational services	47,584	67,560	115,144	86,860	28,284
Other purchased services		3,810,672	3,810,672	3,763,900	46,772
Travel		836	836	71	765
General supplies	2,047,819	(1,551,409)	496,410	291,560	204,850
Textbooks	88,596	(1,575)	87,021	85,082	1,939
Other objects		7,328	7,328	2,441	4,887
Total instruction	<u>2,652,015</u>	<u>3,593,819</u>	<u>6,245,834</u>	<u>5,949,638</u>	<u>296,196</u>
Support services:					
Personal services—employee benefits		657,837	657,837	657,836	1
Purchased professional educational services	677,239	446,941	1,124,180	771,907	352,273
Other purchased services	3,279,768	(3,279,768)			
Supplies and materials		1,368	1,368	309	1,059
Other Objects		8,342	8,342	8,342	
Total support services	<u>3,957,007</u>	<u>(2,165,280)</u>	<u>1,791,727</u>	<u>1,438,394</u>	<u>353,333</u>
Capital Outlay:					
Buildings		903	903		903
Instructional Equipment		53,466	53,466	53,460	6
Non-instructional Equipment		7,791	7,791	7,790	1
Total capital outlay		<u>62,160</u>	<u>62,160</u>	<u>61,250</u>	<u>910</u>
Total expenditures	<u>6,609,022</u>	<u>1,490,699</u>	<u>8,099,721</u>	<u>7,449,282</u>	<u>650,439</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, 2016

	<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)	\$ 239,431,348	\$ 7,449,282
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		(116,043)
Prior Year		150,423
State aid payments are recognized for budgetary purposes, not recognized for GAAP statements.	(6,682,280)	
The prior year's last State aid payments are recognized for GAAP statements, not recognized for budgetary purposes.	6,699,667	
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis.	62,401	
Total revenues as reported on the statement of revenues expenditures, and changes in fund balance (B-2)	\$ 239,511,136	\$ 7,483,662
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 239,696,060	\$ 7,449,282
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).		34,380
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance (B-2)	\$ 239,696,060	\$ 7,483,662

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, 2016

	Title I, Part A	I.D.E.A.		Title II A	Title III	Race to the Top
		Part B, Basic	Preschool			
Revenues:						
Federal sources	\$ 1,945,939	\$ 3,754,495	\$ 122,817	\$ 542,036	\$ 50,926	\$ 1,497
State sources						
Other sources						
Total revenues	\$ 1,945,939	\$ 3,754,495	\$ 122,817	\$ 542,036	\$ 50,926	\$ 1,497
Expenditures:						
Instruction:						
Salaries of teachers	\$ 1,273,192			\$ 424,682	\$ 4,403	\$ 1,497
Purchased professional educational services	33,499		\$ 9,518		8,577	
Other purchased services		\$ 3,650,910	112,990			
Travel						
General supplies	81,201				31,547	
Textbooks						
Other objects						
Total instruction	1,387,892	3,650,910	122,508	424,682	44,527	1,497
Support services:						
Personal services—employee benefits	548,322			109,513	1	
Purchased professional educational services	9,725	103,585		7,841		
Supplies and materials			309			
Other objects					6,398	
Total support services	558,047	103,585	309	117,354	6,399	
Facilities acquisition and construction services:						
Instructional equipment						
Total facilities acquisition and construction services						
Total expenditures	\$ 1,945,939	\$ 3,754,495	\$ 122,817	\$ 542,036	\$ 50,926	\$ 1,497

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2016

	New Jersey Non-Public Aid						
	Textbooks	Auxiliary Services Ch 192	Transportation	Handicapped Services Ch 193	Nursing	Technology	Security
Revenues:							
Federal sources							
State sources	\$ 85,082	\$ 208,695	\$ 23,837	\$ 283,674	\$ 134,550	\$ 38,406	\$ 33,566
Other sources							
Total revenues	<u>\$ 85,082</u>	<u>\$ 208,695</u>	<u>\$ 23,837</u>	<u>\$ 283,674</u>	<u>\$ 134,550</u>	<u>\$ 38,406</u>	<u>\$ 33,566</u>
Expenditures:							
Instruction:							
Salaries of teachers							
Purchased professional educational services							\$ 33,566
Other purchased services							
Travel							
General supplies						\$ 36,462	
Textbooks	\$ 85,082						
Other objects							
Total instruction	<u>85,082</u>					<u>36,462</u>	<u>33,566</u>
Support services:							
Personal services—employee benefits							
Purchased professional educational services		\$ 208,695	\$ 23,837	\$ 283,674	\$ 134,550		
Supplies and materials							
Other objects						1,944	
Total support services	<u>-</u>	<u>208,695</u>	<u>23,837</u>	<u>283,674</u>	<u>134,550</u>	<u>1,944</u>	
Facilities acquisition and construction services:							
Instructional equipment							
Total facilities acquisition and construction services							
Total expenditures	<u>\$ 85,082</u>	<u>\$ 208,695</u>	<u>\$ 23,837</u>	<u>\$ 283,674</u>	<u>\$ 134,550</u>	<u>\$ 38,406</u>	<u>\$ 33,566</u>

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2016

	<u>Citta Donation Grant</u>	<u>Tech Foundation Donation</u>	<u>Orchestra Donation</u>	<u>Various Local Grants</u>	<u>Total</u>
Revenues:					
Federal sources					\$ 6,417,710
State sources					807,810
Other sources	\$ 31,721	\$ 32,916	\$ 86,454	\$ 72,671	223,762
Total revenues	<u>\$ 31,721</u>	<u>\$ 32,916</u>	<u>\$ 86,454</u>	<u>\$ 72,671</u>	<u>\$ 7,449,282</u>
Expenditures:					
Instruction:					
Salaries of teachers		\$ 2,400		\$ 13,550	\$ 1,719,724
Purchased professional educational services				1,700	86,860
Other purchased services					3,763,900
Travel				71	71
General supplies	\$ 1,924	30,516	\$ 67,382	42,528	291,560
Textbooks					85,082
Other objects				2,441	2,441
Total instruction	<u>1,924</u>	<u>32,916</u>	<u>67,382</u>	<u>60,290</u>	<u>5,949,638</u>
Support services:					
Personal services–employee benefits					657,836
Purchased professional educational services					771,907
Supplies and materials					309
Other objects					8,342
Total support services					<u>1,438,394</u>
Facilities acquisition and construction services:					
Instructional equipment	\$ 29,797		19,072	4,591	53,460
Non-instructional equipment				7,790	7,790
Total facilities acquisition and construction services	<u>29,797</u>		<u>19,072</u>	<u>12,381</u>	<u>61,250</u>
Total expenditures	<u>\$ 31,721</u>	<u>\$ 32,916</u>	<u>\$ 86,454</u>	<u>\$ 72,671</u>	<u>\$ 7,449,282</u>

Fiduciary Funds

Toms River Regional School District
Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2016

	Trust			Agency			
	Private - Purpose Scholarship Funds	Unemployment Compensation	Totals	Student Activity	Payroll	Class Trust Fund	Totals
Assets							
Cash and cash equivalents	\$ 57,152	\$ 5,593,291	\$ 5,650,443	\$ 663,631	\$ 6,465,919	\$ 38,232	\$ 7,167,782
Total assets	<u>57,152</u>	<u>5,593,291</u>	<u>5,650,443</u>	<u>\$ 663,631</u>	<u>\$ 6,465,919</u>	<u>\$ 38,232</u>	<u>\$ 7,167,782</u>
Liabilities							
Payroll deductions and withholdings payable					\$ 6,465,919		\$ 6,465,919
Accounts payable		65,727	65,727				
Due to class funds						\$ 38,232	38,232
Due to student groups				\$ 663,631			663,631
Total liabilities		<u>65,727</u>	<u>65,727</u>	<u>\$ 663,631</u>	<u>\$ 6,465,919</u>	<u>\$ 38,232</u>	<u>\$ 7,167,782</u>
Net position							
Held in trust for unemployment benefits		5,527,564	5,527,564				
Held in trust for scholarships	57,152		57,152				
Total net position	<u>\$ 57,152</u>	<u>\$ 5,527,564</u>	<u>\$ 5,584,716</u>				

Toms River Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
MIDDLE SCHOOLS:				
Intermediate North	\$ 26,882	\$ 44,776	\$ 30,056	\$ 41,602
Intermediate East	100,731	46,626	42,641	104,716
Intermediate South	41,582	79,364	89,493	31,453
	<u>\$ 169,195</u>	<u>\$ 170,766</u>	<u>\$ 162,190</u>	<u>\$ 177,771</u>
HIGH SCHOOLS:				
High School East	\$ 190,998	\$ 527,329	\$ 557,418	\$ 160,909
High School North	138,409	407,936	382,948	163,397
High School South	158,461	293,785	290,692	161,554
	<u>\$ 487,868</u>	<u>\$ 1,229,050</u>	<u>\$ 1,231,058</u>	<u>\$ 485,860</u>
Total all schools	<u><u>\$ 657,063</u></u>	<u><u>\$ 1,399,816</u></u>	<u><u>\$ 1,393,248</u></u>	<u><u>\$ 663,631</u></u>

Toms River Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance				Balance
	July	Cash	Cash		June
	1, 2015	Receipts	Disbursements		30, 2016
Assets					
Cash and cash equivalents	\$ 6,127,794	\$ 159,805,511	\$ 159,467,386	\$	6,465,919
Total assets	<u>\$ 6,127,794</u>	<u>\$ 159,805,511</u>	<u>\$ 159,467,386</u>	<u>\$</u>	<u>6,465,919</u>
Liabilities					
Payroll deductions and withholdings payable	\$ 6,127,794	\$ 159,805,511	\$ 159,467,386	\$	6,465,919
Total liabilities	<u>\$ 6,127,794</u>	<u>\$ 159,805,511</u>	<u>\$ 159,467,386</u>	<u>\$</u>	<u>6,465,919</u>

Toms River Regional School District
Class Trust Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
HIGH SCHOOLS:				
High School North	\$ 7,929	\$ 7	\$ 12	\$ 7,924
High School South	26,143	5,177	1,012	30,308
Total all schools	\$ 34,072	\$ 5,184	\$ 1,024	\$ 38,232

Long-Term Debt

Toms River Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Retired	Balance June 30, 2016
			Date	Amount				
Schools Refunding bonds	4/1/2003	\$ 27,244,000			4.00%	\$ 990,000	\$ 990,000	
ERI Bonds	11/4/2004	24,525,000			4.74	660,000	660,000	
Schools Refunding bonds	3/1/2007	12,440,000	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	8,395,000	1,215,000	\$ 7,180,000
Schools Refunding bonds	4/20/2009	15,790,000	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	10,425,000	1,135,000	9,290,000
Schools Refunding bonds	12/27/2012	17,635,000	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	17,610,000	15,000	17,595,000
Schools Refunding bonds	5/23/2013	20,365,000	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	19,625,000	285,000	19,340,000
						<u>\$ 57,705,000</u>	<u>\$ 4,300,000</u>	<u>\$ 53,405,000</u>

Toms River Regional School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2016

Series	Amount of Original Issue	Balance July 1, 2015	Retired Current Year	Balance June 30, 2016
Municipal Capital Corp.- Multiple Locations	\$ 59,271	\$ 38,475	\$ 14,793	\$ 23,682
Municipal Capital Corp. - Various	79,597	21,782	20,667	1,115
Municipal Capital Corp. - Central Athletics	6,415	4,332	1,591	2,741
1st Niagara - Technology	750,000	155,499	155,499	
TD Equipment	750,000	530,545	148,913	381,632
TD Equipment	700,000	356,187	140,922	215,265
TD Equipment	1,700,000	1,367,936	334,912	1,033,024
TD Equipment	1,700,000	1,700,000	329,566	1,370,434
		<u>\$ 4,174,756</u>	<u>\$ 1,146,863</u>	<u>\$ 3,027,893</u>

Toms River Regional School District
Long-Term Debt

Schedule of Notes Payable

Year ended June 30, 2016

	Interest Rate	Amount of Original Issue	Balance July 1, 2015	Retired Current Year	Balance June 30, 2016
CREBS - November 19, 2008	1.15%	\$ 2,742,510	\$ 1,462,672	\$ 182,834	\$ 1,279,838
			<u>\$ 1,462,672</u>	<u>\$ 182,834</u>	<u>\$ 1,279,838</u>

Toms River Regional School District
Long-Term Debt

Schedule of Deferred Pension Obligation

Year ended June 30, 2016

	Interest Rate	Amount of Original Issue	Balance July 1, 2015	Retired Current Year	Balance June 30, 2016
Deferred Pension Obligation	8.25%	\$ 1,144,755	\$ 960,454	\$ 56,369	\$ 904,085
			<u>\$ 960,454</u>	<u>\$ 56,369</u>	<u>\$ 904,085</u>

Toms River Regional School District
Long-Term Debt

Schedule of Community Disaster Loan (CDL)

Year ended June 30, 2016

	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Balance July 1, 2015</u>	<u>Balance June 30, 2016</u>
Community Disaster Loan (CDL)	1.50%	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
			<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

Toms River Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local tax levy	\$ 6,002,643		\$ 6,002,643	\$ 6,002,643	
Miscellaneous				47	\$ 47
State sources:					
Debt Service Aid	351,843		351,843	351,843	
Total revenues	<u>6,354,486</u>		<u>6,354,486</u>	<u>6,354,533</u>	<u>47</u>
Expenditures:					
Principal on CREBs	182,834		182,834	182,834	
Principal on bonds	3,640,000		3,640,000	3,640,000	
Principal on ERI bonds	660,000		660,000	660,000	
Interest on ERI	526,559		526,559	526,558	1
Interest on bonds	1,502,095		1,502,095	1,502,094	1
Total expenditures	<u>6,511,488</u>		<u>6,511,488</u>	<u>6,511,486</u>	<u>2</u>
(Deficiency) excess of revenues (under) over expenditures	(157,002)		(157,002)	(156,953)	49
Fund balance, July 1	157,002		157,002	157,002	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 49</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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:				(as restated)						
Net Investment in Capital Assets	\$ 104,334,891	\$ 105,202,765	\$ 107,466,300	\$ 106,170,502	\$ 118,369,561	\$ 45,783,902	\$ 47,172,494	\$ 45,657,155	\$ 45,301,064	\$ 49,367,861
Restricted	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319	7,211,394	13,178,624
Unrestricted (deficit)	(111,724,008)	(106,964,540)	(29,043,889)	(18,654,892)	(8,623,810)	(13,046,576)	(3,591,545)	(4,543,377)	718,543	9,831,404
Total Governmental Activities										
Net Position	\$ 7,104,697	\$ 11,080,990	\$ 87,812,702	\$ 93,504,194	\$ 109,951,550	\$ 33,080,138	\$ 43,945,148	\$ 42,264,097	\$ 53,231,001	\$ 72,377,889
Business-Type Activities:										
Net Investment in Capital Assets	\$ 9,079,296	\$ 9,333,216	\$ 9,451,339	\$ 9,782,088	\$ 8,735,666	\$ 6,406,443	\$ 6,553,808	\$ 6,230,000	\$ 99,152	\$ 5,956,740
Unrestricted	2,092,765	1,674,628	2,320,105	2,245,021	3,232,844	3,592,818	3,724,150	3,375,546	8,719,284	2,003,817
Total Business-Type Activities										
Net Position	\$ 11,172,061	\$ 11,007,844	\$ 11,771,444	\$ 12,027,109	\$ 11,968,510	\$ 9,999,261	\$ 10,277,958	\$ 9,605,546	\$ 8,818,436	\$ 7,960,557
Government-Wide:										
Net Investment in Capital Assets	\$ 113,414,187	\$ 114,535,981	\$ 116,917,639	\$ 115,952,590	\$ 127,105,227	\$ 52,190,345	\$ 53,726,302	\$ 51,887,155	\$ 45,400,216	\$ 55,324,601
Restricted	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319	7,211,394	13,178,624
Unrestricted (deficit)	(109,631,243)	(105,289,912)	(26,723,784)	(16,409,871)	(5,390,966)	(9,453,758)	132,605	(1,167,831)	9,437,827	11,835,221
Total District Net Position	\$ 18,276,758	\$ 22,088,834	\$ 99,584,146	\$ 105,531,303	\$ 121,920,060	\$ 43,079,399	\$ 54,223,106	\$ 51,869,643	\$ 62,049,437	\$ 80,338,446

Source :CAFR Schedule A-1

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

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

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:	(as restated)									
Governmental Activities										
Instruction:										
Regular	\$ 154,667,335	\$ 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
Special Education	18,521,072	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
Other Special Education	2,138,340	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
School Sponsored/Other Instructional	2,978,965	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
Adult Continuing Education Programs				17,637	28,290	23,848	39,201	31,901	6,739	33,604
Support Services:										
Tuition	5,328,679	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
Student & Instruction Related Services	9,302,832	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
General Administration	4,493,160	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
School Administrative Services	14,292,690	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
Plant Operations & Maintenance	32,228,289	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
Pupil Transportation	18,732,066	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
Other Support Services	20,445,859	19,794,456	20,844,273	21,193,367	73,236,252	68,558,277	-	-	-	101
Special Schools		42,164	43,489	31,000	26,900	42,143	69,862	80,057	82,316	98,019
Interest on Long-Term Debt	2,205,859	2,394,907	2,672,509	2,544,895	3,085,116	4,221,619	3,255,648	3,428,108	3,922,942	4,527,522
Unallocated Depreciation				8,666,231	8,174,831	5,747,264	3,077,096	4,731,200	4,719,971	5,217,244
Unallocated Amortization				9,255						
Total Governmental Activities Expenses	285,335,146	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
Business-Type Activities:										
Food Service	4,637,749	4,637,519	5,187,151	5,469,971	5,185,881	5,113,640	4,713,932	4,922,710	4,820,133	5,175,046
Corporate Center	850,433	907,582	749,028	799,006	817,782	924,024	926,541	982,127	956,268	1,120,698
Day Care Center	808,082	862,347	827,779	747,396	811,474	700,641	463,157	329,499	316,141	296,583
Bennett Complex	328,542	680,839	317,332	278,982	271,046					
Pine Belt Arena	403,707	693,480	287,525	217,684	276,295	324,514	370,161	626,118	311,310	2,803,277
Total Business-Type Activities Expenses	7,028,513	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
Total District Expenses	\$ 292,363,659	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013 (as restated)	2012	2011	2010	2009	2008	2007
Program Revenues:										
Operating Grants & Contributions	\$ 7,468,573	\$ 6,997,929	\$ 6,909,414	\$ 8,445,687	\$ 7,752,618	\$ 9,867,886	\$ 12,808,646	\$ 8,068,901	\$ 8,438,597	\$ 8,558,685
Charges for services	1,228,039	1,109,587	1,375,757	1,325,068						
Capital Grants & Contributions	15,089	10,324	33,279							
Total Governmental Activities Program Revenues	8,711,701	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
Business-Type Activities:										
Charges for Services:										
Food Service	2,247,791	2,435,298	2,636,196	2,872,395	3,099,881	3,386,422	3,372,171	3,836,181	3,627,630	3,555,113
Corporate Center	1,094,318	1,036,502	1,022,375	763,881	667,877	631,684	937,439	787,549	911,139	808,487
Day Care Center	695,707	785,564	839,809	745,589	722,030	707,876	443,058	443,142	434,852	3,149,057
Bennett Complex	446,380	379,110	388,887	336,464	366,712	-	-	-	-	-
Pine Belt Arena	405,540	313,868	390,492	303,249	356,569	735,439	842,228	1,000,306	946,880	374,901
Operating Grants & Contributions	2,414,690	2,022,935	1,986,596	2,022,890	1,877,730	1,831,685	1,548,918	1,426,278	1,154,680	1,091,843
Total Business Type Activities Program Revenues	7,304,426	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
Total District Program Revenues	\$ 16,016,127	\$ 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
Net (Expense)/Revenue:										
Governmental Activities	\$ (276,623,445)	\$ (258,727,374)	\$ (232,105,145)	\$ (228,571,826)	\$ (224,605,369)	\$ (217,133,255)	\$ (209,950,571)	\$ (207,486,038)	\$ (211,374,602)	\$ (209,890,674)
Business-Type Activities	275,913	(808,490)	(104,460)	(468,571)	(271,679)	230,287	670,023	633,002	671,329	(416,203)
Total District-Wide Expense	\$ (276,347,532)	\$ (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)

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

	FISCAL YEAR ENDING JUNE 30,											
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		
				(as restated)								
General Revenues & Other Changes in Net Position:												
Governmental Activities:												
Property Taxes Levied for General Purposes, Net	\$ 137,569,066	\$ 132,197,482	\$ 118,518,706	\$ 132,719,175	\$ 131,104,192	\$ 126,219,467	\$ 115,800,000	\$ 111,634,746	\$ 107,722,170	\$ 104,580,126		
Taxes Levied for Debt Service	6,002,643	6,151,510	6,230,678	6,406,267	6,303,660	6,427,760	6,661,616	4,065,852	2,905,077	5,696,185		
Unrestricted Grants & Contributions	126,812,212	118,915,604	98,565,195	85,456,375	84,568,143	77,052,160	84,341,484	80,995,846	96,786,228	91,249,757		
Investment Earnings	4,788	2,341	1,268	5,445	7	54,155	27,210	210,337	725,695	1,322,053		
Miscellaneous Income	1,246,460	852,447	665,152	3,477,887	3,538,549	3,517,281	2,214,528	2,916,172	8,406,356	6,945,527		
Transfers	112,280	112,282	152,280	587,084	192,280	513,209			(50,000)	265,000		
FEMA Reimbursement				165,674								
Total Governmental Activities	271,747,449	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		
Extraordinary Item	899,703	589,976	2,280,374									
Business-Type Activities:												
Investment Earnings	584	626	1,075	1,325	1,954	4,225	5,291	16,561	102,635	199,707		
FEMA Reimbursement		73,900										
Miscellaneous Income		82,646										
Transfers	(112,280)	(112,282)	(152,280)	(587,084)	(192,280)	(513,209)	-	-	50,000	(265,000)		
Total Business-Type Activities	(111,696)	44,890	(151,205)	(585,759)	(190,326)	(508,984)	5,291	16,561	152,635	(65,293)		
Total District-Wide	\$ 271,635,753	\$ 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		
Change in Net Position:												
Governmental Activities	\$ (3,976,293)	\$ 94,268	\$ (5,691,492)	\$ 246,081	\$ 1,101,462	\$ (3,349,223)	\$ (905,733)	\$ (7,663,085)	\$ 5,120,924	\$ 167,974		
Business-Type Activities	164,217	(763,600)	(255,665)	(1,054,330)	(462,005)	(278,697)	675,314	649,563	823,964	(481,496)		
Total District	\$ (3,812,076)	\$ (669,332)	\$ (5,947,157)	\$ (808,249)	\$ 639,457	\$ (3,627,920)	\$ (230,419)	\$ (7,013,522)	\$ 5,944,888	\$ (313,522)		

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 14,493,814	\$ 12,842,765	\$ 9,390,561	\$ 5,887,107	\$ 5,974,848	\$ 5,796,119	\$ 9,069,361	\$ 13,302,560	\$ 14,626,844	\$ 14,171,126
Assigned	1,092,087	1,916,077	1,110,444	2,396,538	1,364,933					
Unassigned				474,200		(1,951,224)	3,330,513	2,144,003	5,108,372	5,859,654
Total General Fund	\$ 15,585,901	\$ 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
All Other Governmental Funds:										
Reserved						\$ 12,799	\$ 18,272	\$ 37,020	\$ 23,300	
Restricted:										
Capital Projects Fund				\$ 1,108	\$ 114,112	236,647	239,675	1,113,128	4,824,617	\$ 4,727,668
Debt Service Fund	\$ 49	\$ 157,002	\$ 165,684	100,369	91,687	106,165	106,252	171	2,386,777	5,051,021
Total All Other Governmental Funds	\$ 49	\$ 157,002	\$ 165,684	\$ 101,477	\$ 205,799	\$ 355,611	\$ 364,199	\$ 1,150,319	\$ 7,234,694	\$ 9,778,689

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$ 143,571,709	\$ 138,348,992	\$ 124,749,384	\$ 139,125,442	\$ 137,407,852	\$ 132,647,227	\$ 122,461,616	\$ 115,700,598	\$ 107,722,170	\$ 104,580,126
Other Local Revenue	2,620,178	2,150,232	2,523,642	3,487,656	3,644,472	4,133,207	2,441,589	6,794,020	2,163,953	2,096,298
Restricted Grants-in-Aid - Ocean County						4,778	4,500	21,967	13,265	
State Sources	92,004,137	88,717,248	85,733,921	87,060,718	81,872,704	76,746,160	84,137,134	82,176,131	92,094,702	89,933,799
Federal Revenue	7,810,536	9,501,970	12,831,274	353,171	2,695,439	301,222		6,866,649		17,465
Subtotal	246,006,560	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
Special Revenue:										
Federal	6,534,583	6,120,186	6,162,773	6,849,177	6,836,288	8,231,588	11,626,193	6,866,649	6,844,541	1,636,176
State	808,188	702,210	596,876	964,064	810,414	1,074,527	1,182,453	1,202,252	1,647,646	6,922,509
Total Revenues	253,349,331	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
Expenditures:										
Instruction:										
Regular Instruction	68,123,196	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
Special Education Instruction	16,806,067	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
Other Instruction	11,920,784	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
School Sponsored/Other Instructional	3,690,392	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
Adult/Continuing Education Programs				17,637	28,290	23,848	27,573	22,427	5,123	23,314
Support Services:										
Tuition	3,944,585	4,275,708	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954	1,985,607	1,321,587
Student & Instruction Related Services	15,798,634	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
General Administration	3,229,855	2,846,459	2,300,496	2,238,220	1,913,430	2,237,326	2,740,117	2,400,865	2,619,296	2,787,596
School Administrative Services	11,187,934	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
Plant Operations & Maintenance	16,273,944	17,289,882	17,275,268	17,348,622	15,848,523	17,398,949	19,645,580	19,427,536	22,603,208	18,574,415
Student Transportation	11,271,722	11,551,517	12,552,552	11,695,418	11,314,786	10,923,759	12,933,062	13,748,617	13,909,398	13,312,655
Business & Other Support Services								292		101
Unallocated Benefits	80,832,203	73,918,744	71,706,026	75,107,138	74,118,411	68,242,373	62,267,473	52,799,752	59,469,404	57,984,351

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures (continued):										
Special Schools	\$ 31,169	\$ 26,635	\$ 27,538	\$ 31,000	\$ 26,900	\$ 42,143	\$ 46,691	\$ 55,059	\$ 53,778	\$ 66,417
Capital Projects Fund				113,004	43,740	8,501	1,092,353	7,515,483	11,482,678	13,933,730
Debt Service Fund	6,511,486	6,519,548	6,537,969	6,765,667	6,772,384	6,766,561	7,011,966	7,107,723	6,789,447	6,959,134
Capital Outlay:										
Equipment	1,471,730	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	2,597,507	1,362,825	1,518,998	602,484	406,962	400,772	160,413			
Total Expenditures	253,691,208	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
(Deficiency) Excess of Revenues (Under) Over Expenditures	(341,877)	1,484,513	(6,553,034)	138,858	2,851,487	(1,741,123)	(6,967,174)	5,535,696	(9,596,521)	(15,731,714)
Other Financing Sources/(Uses):										
Transfers Out			(22)	(4,324)				(300,000)	(50,000)	(2,135,000)
Transfers In	112,280	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)	112,280	2,174,666	6,080,027	1,009,210	493,587	693,343	-	(300,000)	(50,000)	(2,135,000)
Extraordinary Item	899,703	589,976	2,280,374							
Net Change in Fund Balances	\$ 670,106	\$ 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)
Debt Service as a Percentage of Noncapital Expenditures	2.6%	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%	3.5%	3.3%	3.4%

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
2016	\$ 4,788	\$ 1,143,509			\$ 602,780	\$ 145,635	\$ 84,530	\$ 485,024	\$ 12,974	\$ 2,479,240
2015	2,341	1,031,474	\$ 265		300,000	128,231	78,113	229,013	185,477	1,954,914
2014	1,246	1,292,661	11,316			140,966	83,096	460,199	338,241	2,327,725
2013	5,437	1,325,068				165,676	121,638		1,231,420	2,849,239
2012		1,416,542				164,538	149,326		1,764,000	3,494,406
2011	54,073	870,836				104,019	180,438		1,862,613	3,071,979
2010	26,918	400,375	20,606	\$ 163,706		84,422	127,018		1,418,402	2,241,447
2009	208,104	428,009	863,856	107,744		88,520	90,457		1,326,637	3,113,327
2008	686,927	496,449		785,522		99,604	146,741			2,215,243
2007	1,211,781	255,598	12,340	209,223		50,549	235,126		121,681	2,096,298

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
2016	\$ 803,231,600
2015	1,002,554,600
2014	1,004,086,500
2013	1,010,656,000
2012	1,018,095,300
2011	1,019,970,687
2010	1,020,998,700
2009	1,042,734,166
2008	1,017,531,946
2007	945,859,318
TOWNSHIP OF TOMS RIVER	
2016	\$ 12,672,646,060
2015	12,524,602,960
2014	12,460,318,018
2013	11,389,473,485
2012	16,353,737,465
2011	16,986,477,060
2010	17,155,320,796
2009	17,221,567,478
2008	15,892,450,260
2007	14,189,633,928
BOROUGH OF PINE BEACH	
2016	\$ 246,598,826
2015	245,057,300
2014	244,468,238
2013	244,264,100
2012	301,485,400
2011	302,358,228
2010	302,167,066
2009	319,505,115
2008	314,323,357
2007	291,013,315
BOROUGH OF SOUTH TOMS RIVER	
2016	\$ 220,503,621
2015	271,377,300
2014	277,255,530
2013	277,442,693
2012	281,070,781
2011	282,485,773
2010	282,917,127
2009	283,439,208
2008	281,869,428
2007	281,002,203

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							
2016	\$	1.033	\$	0.865	\$	0.434	\$ 2.332
2015		0.080		0.673		0.362	1.831
2014		0.756		0.674		0.353	1.783
2013		0.741		0.673		0.354	1.768
2012		0.730		0.650		0.344	1.724
2011		0.731		0.622		0.337	1.690
2010		0.716		0.585		0.334	1.635
2009		0.666		0.559		0.320	1.545
2008		0.627		0.533		0.316	1.476
2007		0.590		0.492		0.303	1.385
TOWNSHIP OF TOMS RIVER							
2016	\$	1.083	\$	0.648	\$	0.481	\$ 2.212
2015		1.044		0.612		0.471	2.127
2014		1.014		0.584		0.430	2.028
2013		0.992		0.544		0.431	1.961
2012		0.778		0.412		0.348	1.538
2011		0.739		0.377		0.335	1.451
2010		0.706		0.347		0.317	1.370
2009		0.634		0.290		0.308	1.232
2008		1.636		0.816		0.825	3.277
2007		1.577		0.679		0.805	3.061
BOROUGH OF PINE BEACH							
2016	\$	1.003	\$	0.740	\$	0.457	\$ 2.230
2015		1.003		0.693		0.469	2.165
2014		0.963		0.660		0.456	2.079
2013		0.937		0.650		0.421	2.008
2012		0.785		0.499		0.370	1.654
2011		0.785		0.484		0.361	1.630
2010		0.738		0.469		0.347	1.554
2009		0.700		0.465		0.338	1.503
2008		0.651		0.460		0.333	1.444
2007		0.637		0.441		0.326	1.404
BOROUGH OF SOUTH TOMS RIVER							
2016	\$	0.950	\$	1.430	\$	0.414	\$ 2.794
2015		0.751		1.089		0.343	2.183
2014		0.710		1.050		0.341	2.101
2013		0.702		1.009		0.325	2.036
2012		0.725		0.951		0.335	2.011
2011		0.732		0.888		0.338	1.958
2010		0.696		0.862		0.341	1.899
2009		0.643		0.786		0.320	1.749
2008		0.602		0.749		0.318	1.669
2007		0.557		0.675		0.294	1.526

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	2016			TAXPAYER	2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE
DOVER PARKADE LLC @ PARAMOUNT RLTY	\$ 18,733,100	10	0.15%				
INDIAN HEAD PLAZA ASSOC @ JK MGT	19,750,000	9	0.16%				
S/K BEY LEA ASSOCIATES I LLC	22,706,800	8	0.18%				
EAST COAST HOLIDAY ON THE BAY LLC	26,640,000	7	0.21%				
SEACOURT PAVILION LLC	30,000,000	6	0.24%				
J&I REALTY ASSOC LLC @ AAC MGT	31,654,300	5	0.25%				
SDD INC @ D DONOFRIO	39,000,000	4	0.31%				
BASF CORPORATION	42,000,000	3	0.33%				
FAIRWAYS AT BEY LEA LLC	55,000,000	2	0.43%				
CPI @ SIMON PROPERTY GROUP LP	135,000,000	1	1.07%				
	<u>\$ 420,484,200</u>						
ACI TOMS RIVER LLC				\$ 9,274,800	10	0.07%	
DOVER PARKADE LLC @ PARAMOUNT REALTY				9,600,000	9	0.07%	
909 ROUTE 37 WEST @CRONHEIM				10,063,000	8	0.07%	
INDIAN HEAD PLAZA ASSOC @ JK MGMT				10,500,000	7	0.07%	
SP ACQUISITION ASSOC @ PYNE CO.				15,314,700	6	0.11%	
FAIRWAYS AT BEY LEA LLC				15,966,600	5	0.11%	
J & I REALTY ASSOCIATES LLC				16,450,700	4	0.12%	
CIBA SPECIALTY CHEMICAL CORP.				20,629,300	3	0.15%	
SDD INC. @ D DONOFRIO				25,481,300	2	0.18%	
CPI @ SIMON PROPERTY GROUP LP				76,499,900	1	0.54%	
				<u>\$ 209,780,300</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			
2016	N/A	N/A	N/A
2015	\$ 18,388,302	\$ 17,860,771	97.13%
2014	17,953,574	17,378,788	96.79%
2013	17,906,306	17,293,794	96.57%
2012	17,577,539	17,077,645	97.16%
2011	17,269,528	16,928,427	96.30%
2010	16,733,588	16,173,953	96.66%
2009	15,784,498	15,293,527	96.89%
2008	15,052,335	14,585,758	96.90%
2007	4,973,573	4,813,424	96.78%
Township of Toms River			
2016	N/A	N/A	N/A
2015	\$ 277,610,168	\$ 271,732,211	97.88%
2014	261,260,304	255,561,780	97.81%
2013	231,047,482	225,649,792	97.66%
2012	260,499,876	249,136,567	95.64%
2011	254,757,257	246,018,967	96.57%
2010	242,727,698	235,626,904	97.07%
2009	118,269,202	113,188,256	95.70%
2008	212,485,362	207,940,875	97.86%
2007	204,585,917	199,333,209	97.43%
Borough of Pine Beach			
2016	N/A	N/A	N/A
2015	\$ 5,331,898	\$ 5,246,053	98.29
2014	5,100,301	3,484,655	97.41%
2013	4,911,915	4,148,088	97.67%
2012	4,989,339	4,836,665	96.94%
2011	4,928,439	4,850,570	98.42%
2010	4,699,487	4,581,889	97.50%
2009	4,539,269	4,400,340	96.94%
2008	4,340,945	4,245,010	97.79%
2007	4,220,441	4,093,406	96.99%
Borough of South Toms River			
2016	N/A	N/A	N/A
2015	\$ 5,943,841	\$ 5,674,371	95.47
2014	5,766,765	5,413,165	93.87%
2013	5,663,235	5,349,728	94.46%
2012	5,656,016	5,309,391	93.87%
2011	5,540,073	5,288,930	95.47%
2010	5,395,819	5,153,044	95.50%
2009	4,962,865	4,754,738	95.81%
2008	4,730,142	4,493,635	95.00%
2007	4,306,774	4,188,314	97.25%

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				
2016	\$ 53,405,000	\$ 5,000,000	\$ 1,279,838	\$ 3,027,893	\$ 62,712,731	N/A	N/A	
2015	57,705,000	5,000,000	1,462,672	4,174,756	68,342,428	N/A	N/A	
2014	61,830,000	4,588,852	1,645,506	1,587,537	69,651,895	N/A	\$43,214	
2013	65,975,000		2,929,431	663,143	69,567,574	N/A	N/A	
2012	67,394,000		3,197,210	455,380	71,046,590	N/A	N/A	
2011	70,799,000		3,461,507	143,426	74,403,933	N/A	\$40,724	
2010	74,069,000		3,275,537	156,609	77,501,146	1.73%	40,291	
2009	77,369,000		4,682,119	219,765	82,270,884	1.96%	39,331	
2008	80,114,000		7,145,487	325,618	87,585,105	2.18%	40,975	
2007	82,924,000		6,286,401	143,487	89,353,888	2.32%	39,214	

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.

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

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

FISCAL YEAR ENDED JUNE 30,	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2016	\$ 53,405,000	0.38%	N/A
2015	57,705,000	0.41%	N/A
2014	61,830,000	0.39%	N/A
2013	65,975,000	0.51%	N/A
2012	67,394,000	0.38%	\$618.15
2011	70,799,000	0.38%	651.82
2010	76,426,667	0.40%	707.03
2009	81,133,249	0.46%	720.83
2008	80,114,000	0.51%	717.15
2007	82,924,000	1.04%	744.51

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, 2016
Unaudited

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Toms River Regional Schools		100%	\$ 53,405,000
Net Overlapping Debt of School District:			
Beachwood		100%	24,718,578
Toms River		100%	164,391,030
Pine Beach		100%	5,434,517
South Toms River		100%	796,494
Total Direct & Overlapping Debt			\$ 248,745,619

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 624,209,152	\$ 646,632,009	\$ 622,212,017	\$ 707,198,011	\$ 746,186,283	\$ 751,626,286	\$ 694,120,977	\$ 649,556,991	\$ 622,630,583	\$ 381,037,529
Total Net Debt Applicable to Limit	53,405,000	57,705,000	61,830,000	65,975,000	67,394,000	70,799,000	76,426,667	81,133,249	80,114,000	82,924,000
Legal Debt Margin	\$ 570,804,152	\$ 588,927,009	\$ 560,382,017	\$ 641,223,011	\$ 678,792,283	\$ 680,827,286	\$ 617,694,310	\$ 568,423,742	\$ 542,516,583	\$ 298,113,529
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.56%	8.92%	9.94%	9.74%	9.46%	9.42%	11.01%	12.49%	12.87%	21.76%

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis
	2016 \$ 15,822,921,869
	2015 15,463,482,694
	2014 15,529,281,874
	<u>\$ 46,815,686,437</u>
Average Equalized Valuation of Taxable Property	<u>\$ 15,605,228,812</u>
Debt Limit (4 % of Average Equalization Value)	\$ 624,209,152
Net Bonded School Debt	<u>53,405,000</u>
Legal Debt Margin	<u>\$ 570,804,152</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
2016	N/A	N/A		N/A	N/A	N/A	N/A
2015	107,917	\$ 44,381		5.9%	5.7%	4.4%	8.2%
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%

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 2016 audit, this information was not available.

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

EMPLOYER	2016			2007		
	EMPLOYEES	RANK	TOTAL EMPLOYMENT	EMPLOYEES	RANK	TOTAL EMPLOYMENT
OCEAN COUNTY MALL	2,400	4	17.35%	NA		NA
ST. BARNABAS HEALTH CARE	2,786	2	19.73%	NA		NA
TOMS RIVER SCHOOLS	3,738	1	26.48%	NA		NA
OCEAN COUNTY GOVERNMENT	2,500	3	17.71%	NA		NA
OCEAN COUNTY COLLEGE	1,500	5	10.62%	NA		NA
TWP OF TOMS RIVER GOVERNMENT	694	6	4.92%	NA		NA
HEALTH SOUTH REHABILITATION	500	7	3.54%	NA		NA
	<u>14,118</u>					

Source: Township Official Statements

NA - Not Available

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

Function/Program	2016	2015	2014	2013	2012	2011	2010*	2009	2008	2007
Instruction:										
Regular	972	977	983	968	948	940	1,043	1,100	1,178	1,216
Special Education	285	289	172	186	186	186	322	304	165	104
Other Special Instruction	1	1	1					3	3	3
Vocational					22	24	23	26	4	5
Support Services:										
Student & Instruction Related Services	270	268	261	261	248	261	40	46	68	70
School Administrative Services	153	159	155	158	163	163	137	102	124	131
General Administration	40	40	41	36	35	35	34	77	77	75
Plant Operations & Maintenance	257	265	265	258	265	271	272	175	178	174
Administrative Information Technology	17	17	18	18	17	18	18	19	11	11
Pupil Transportation	195	194	191	192	188	186	185	190	187	187
Other Support Services	120	115	119	123	124	125	121	111	87	87
Total	2,310	2,325	2,206	2,200	2,196	2,209	2,195	2,153	2,082	2,063

* 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
2016	15,908	\$243,110,485	\$15,282	4.0%	1,258	15.2	15,812.0	14,963.0	0.2%	94.6%
2015	15,856	233,872,417	14,750	2.2%	1,269	14.6	15,783.8	14,919.8	-2.2%	94.5%
2014	16,182	228,770,177	14,137	-0.9%	1,274	14.1	16,134.0	15,222.9	-2.6%	94.4%
2013	16,596	230,742,699	13,904	3.2%	1,276	14.1	16,556.4	15,620.2	-1.4%	94.3%
2012	16,804	218,104,770	12,979	N/A	1,261	14.4	16,787.4	15,842.4	-1.1%	94.4%
2011	17,020	218,104,770	12,815	-4.7%	1,253	14.3	16,975.6	15,938.0	-0.7%	93.9%
2010	17,170	228,820,659	13,327	2.9%	1,265	N/A	17,090.1	16,071.8	-0.5%	94.0%
2009	17,239	222,461,471	12,905	-2.7%	1,295	N/A	17,169.8	16,144.2	-0.4%	94.0%
2008	17,396	228,524,985	13,137	0.5%	1,350	N/A	17,230.5	16,185.3	-2.0%	93.9%
2007	17,634	227,341,772	12,892	4.7%	1,228	N/A	17,576.4	16,478.4	-1.5%	93.8%

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	2016	2015	2014	2013	2012	2011	2010*	2009*	2008*	2007*
Elementary Schools:										
Beachwood (1988):										
Square Feet	70,445	70,445	70,445	70,445	70,445	70,445				
Capacity	786	786	786	786	786	786				
Enrollment	569	569	578	584	591	586				
Cedar Grove (1971):										
Square Feet	132,194	132,194	132,194	132,194	132,194	132,194				
Capacity	1,134	1,134	1,134	1,134	1,134	1,134				
Enrollment (a)	873	873	841	878	883	920				
Citta (1999):										
Square Feet	70,581	70,581	70,581	70,581	70,581	70,581				
Capacity	844	844	844	844	844	844				
Enrollment	637	637	632	653	672	670				
East Dover (1954):										
Square Feet	97,718	97,718	97,718	97,718	97,718	97,718				
Capacity	1,182	1,182	1,182	1,182	1,182	1,182				
Enrollment	685	685	723	770	757	767				
Hooper Avenue (1965):										
Square Feet	89,063	89,063	89,063	89,063	89,063	89,063				
Capacity	1,134	1,134	1,134	1,134	1,134	1,134				
Enrollment	726	726	743	755	756	723				
North Dover (1956):										
Square Feet	70,492	70,492	70,492	70,492	70,492	70,492				
Capacity	855	855	855	855	855	855				
Enrollment	596	596	607	632	649	667				
Pine Beach (1953):										
Square Feet	58,341	58,341	58,341	58,341	58,341	58,341				
Capacity	614	614	614	614	614	614				
Enrollment	437	437	450	447	440	466				
Silver Bay (1972):										
Square Feet	112,930	112,930	112,930	112,930	112,930	112,930				
Capacity	1,134	1,134	1,134	1,134	1,134	1,134				
Enrollment	611	611	645	654	662	693				
South Toms River (1982):										
Square Feet	58,940	58,940	58,940	58,940	58,940	58,940				
Capacity	587	587	587	587	587	587				
Enrollment	352	352	368	357	375	367				
Walnut Street (1965):										
Square Feet	87,663	87,663	87,663	87,663	87,663	87,663				
Capacity	1,134	1,134	1,134	1,134	1,134	1,134				
Enrollment	757	757	799	840	843	845				
Washington Street (1960):										
Square Feet	49,890	49,890	49,890	49,890	49,890	49,890				
Capacity	533	533	533	533	533	533				
Enrollment	379	379	390	393	385	402				
West Dover (1963):										
Square Feet	56,442	56,442	56,442	56,442	56,442	56,442				
Capacity	656	656	656	656	656	656				
Enrollment	393	393	390	403	407	407				

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

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010*	2009*	2008*	2007*
Middle Schools:										
East (1962):										
Square Feet	259,829	259,829	259,829	259,829	259,829	259,829				
Capacity	1,518	1,518	1,518	1,518	1,518	1,518				
Enrollment	1,349	1,349	1,426	1,450	1,467	1,512				
North (1974):										
Square Feet	178,332	178,332	178,332	178,332	178,332	178,332				
Capacity	1,610	1,610	1,610	1,610	1,610	1,610				
Enrollment	1,279	1,279	1,335	1,387	1,423	1,412				
South (2005):										
Square Feet	194,382	194,382	194,382	194,382	194,382	194,382				
Capacity	1,242	1,242	1,242	1,242	1,242	1,242				
Enrollment	1,080	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	241,420				
Capacity	1,980	1,980	1,980	1,980	1,980	1,980				
Enrollment	1,491	1,491	1,551	1,614	1,606	1,666				
North (1969):										
Square Feet	404,277	404,277	404,277	404,277	404,277	404,277				
Capacity	2,421	2,421	2,421	2,421	2,421	2,421				
Enrollment	2,366	2,366	2,381	2,295	2,210	2,311				
South (1951):										
Square Feet	172,344	172,344	172,344	172,344	172,344	172,344				
Capacity	1,421	1,421	1,421	1,421	1,421	1,421				
Enrollment	1,394	1,394	1,436	1,427	1,397	1,506				
Other Buildings:										
Central Administration:										
Square Feet	79,417	79,417	79,417	79,417	79,417	79,417				
Transportation Compound										
Square Feet	34,800	34,800	34,800	34,800	34,800	34,800				
Facilities Compound										
Square Feet	32,325	32,325	32,325	32,325	32,325	32,325				

Number of Schools at June 30, 2016:

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
High Schools:										
East	\$ 269,290	\$ 348,805	\$ 313,760	\$ 320,434	\$ 286,299	\$ 257,878	\$ 332,722	\$ 50,893	\$ 114,428	\$ 72,158
North	446,710	516,070	509,932	466,800	445,221	423,319	549,600	71,788	65,327	74,854
South	197,690	264,716	221,601	233,675	250,554	179,389	232,319	62,349	72,272	70,103
Intermediate Schools:										
East	298,380	329,238	330,525	303,214	291,563	260,478	349,560	35,084	19,739	41,514
North	201,871	238,157	289,648	247,295	222,066	205,757	240,699	35,788	28,315	29,217
South	208,274	232,440	220,012	211,386	214,785	202,992	260,753	14,065	30,645	12,203
Elementary Schools:										
Beachwood	76,182	86,271	83,985	85,340	78,146	75,315	103,149	12,488	22,660	10,478
Cedar Grove	142,519	159,389	157,219	146,542	140,367	142,394	188,818	17,864	10,533	8,338
Joseph A. Citta	77,026	92,973	92,249	105,432	84,021	78,382	139,651	12,058	18,013	14,577
East Dover	112,893	121,165	109,113	109,458	103,931	105,275	136,544	9,401	12,839	9,176
Hooper Avenue	100,484	112,355	110,407	103,876	108,156	114,434	116,688	24,040	21,015	28,542
North Dover	79,927	93,573	86,996	81,429	85,764	78,720	89,940	8,082	20,079	17,381
Pine Beach	60,596	71,768	66,157	66,510	64,431	66,679	160,947	20,698	19,353	17,801
Silver Bay	137,683	148,137	126,846	127,044	120,175	117,101	86,267	10,858	24,038	57,997
South Toms River	72,114	73,395	71,257	69,387	69,950	65,135	144,249	13,815	13,951	27,394
Walnut Street	121,588	109,624	102,222	98,827	95,540	90,339	75,063	6,694	8,481	9,768
Washington Street	54,136	61,827	66,450	61,550	57,268	52,728	84,839	18,694	11,313	10,370
West Dover	62,780	68,899	68,281	76,706	69,818	64,120	104,586	15,904	10,721	17,957
Subtotal	2,720,145	3,128,802	3,026,660	2,914,905	2,788,055	2,580,435	3,396,394	440,563	523,722	529,828
Other Facilities	153,811	170,323	74,256	149,484	148,916	140,277	221,489	3,121,847	2,822,695	3,789,042
Grand Total	\$ 2,873,956	\$ 3,299,125	\$ 3,100,916	\$ 3,064,389	\$ 2,936,971	\$ 2,720,712	\$ 3,617,883	\$ 3,562,410	\$ 3,346,417	\$ 4,318,870

TOMS RIVER REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
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, 2016, 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 5, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 5, 2016
Livingston, New Jersey

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Toms River Regional School District's, in the County of Ocean, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New

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

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

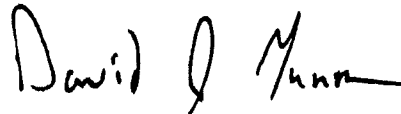
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

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

Purpose of this Report

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



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 5, 2016
Livingston, New Jersey

Toms River Regional School District
Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant or State Project Number	Year ended June 30, 2016		Balance at June 30, 2015	Carryover/Walkover Amount	Cash Received	Total Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2016		
					Grant Period								Unearned Revenue	(Accounts Receivable)	Due to Grantor
					From	To									
General Fund:															
U.S. Department of Health and Human Services															
-Passed-Through State Department of Education															
Medicaid Assistance Program	93.778	1605NJ5MAP	\$ 468,175	N/A	7/1/15	6/30/16			\$ 339,969	\$ (468,175)			\$	(128,206)	
Medicaid Assistance Program	93.778	1605NJ5MAP	396,464	N/A	7/1/14	6/30/15	(195,662)		195,662						
U.S. Department of Housing and Urban Development															
-Passed-Through State Department of Education															
Community Development Block Grant	14.269	B15MC120015	7,342,361	N/A	7/1/15	6/30/16			7,342,361	(7,342,361)					
Total General Fund							(195,662)		7,877,992	(7,810,536)				(128,206)	
U.S. Department of Education—Passed-Through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010A	S010A150030	1,945,939	NCLB-2940	7/1/15	6/30/16			1,118,226	(1,945,939)				(827,713)	
Title I, Part A,	84.010A	S010A150030	1,745,460	NCLB-2940	7/1/14	6/30/15	(709,889)		709,889		\$ 29			\$ 29	
Title II A	84.367	S367A150029	542,036	NCLB-2940	7/1/15	6/30/16			352,477	(542,036)				(189,559)	
Title II A	84.367	S367A150029	550,607	NCLB-2940	7/1/14	6/30/15	(212,245)		212,245						
Title III	84.365	S365A150030	50,926	NCLB-2940	7/1/15	6/30/16			40,166	(50,926)				(10,760)	
Title III	84.365	S365A150030	42,090	NCLB-2940	7/1/14	6/30/15	(2,324)		2,324						
Race to the Top	84.416	Not Available	67,050	N/A	7/1/13	6/30/16	(9,818)		10,566	(1,497)	749				
I.D.E.A., Part B	84.027A	S027A150100	3,421,971	FT294008	7/1/15	6/30/16			3,421,971	(3,754,495)				(332,524)	
I.D.E.A., Part B	84.027A	S027A150100	3,854,741	FT294008	7/1/14	6/30/15	(3,675,951)		3,675,951						
I.D.E.A. Preschool	84.173A	S173A150114	123,954	PS294007	7/1/15	6/30/16			89,925	(122,817)	(1,054)			(33,946)	
I.D.E.A. Preschool	84.173A	S173A150114	119,425	PS294007	7/1/14	6/30/15	(118,288)		118,288						
Total Special Revenue Fund							(4,728,515)		9,752,028	(6,417,710)	(276)			(1,394,502) 29	
U.S. Department of Agriculture—Passed-Through State Department of Education															
Enterprise Fund:															
Food Donation Program (NC)	10.555	16161NJ304N1099	399,660	N/A	7/1/15	6/30/16			401,117	(397,553)		\$ 3,564			
Food Donation Program (NC)	10.555	16161NJ304N1099	266,046	N/A	7/1/14	6/30/16	2,107			(2,107)					
National School Lunch Program	10.555	16161NJ304N1099	1,504,726	N/A	7/1/15	6/30/16			1,234,448	(1,504,726)				(270,278)	
National School Lunch Program	10.555	16161NJ304N1099	1,406,566	N/A	7/1/14	6/30/15	(262,617)		262,617						
School Breakfast Program	10.553	16161NJ304N1099	422,060	N/A	7/1/15	6/30/16			337,013	(422,060)				(85,047)	
School Breakfast Program	10.553	16161NJ304N1099	261,010	N/A	7/1/14	6/30/15	(54,368)		54,368						
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	47,073	N/A	7/1/15	6/30/16			38,865	(47,073)				(8,208)	
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	46,796	N/A	7/1/14	6/30/15	(8,594)		8,594						
U.S. Department of Homeland Security - Direct															
Federal Emergency Management Agency (FEMA)	97.036		173,632	N/A	7/1/12	6/30/15	(90,294)							(90,294)	
Total Enterprise Fund							(413,766)		2,337,022	(2,373,519)			3,564	(453,827) -	
Total Federal Awards							\$ (5,337,943)	\$ -	\$ 19,967,042	\$ (16,601,765)	\$ -	\$ (276)	\$ 3,564	\$ (1,976,535) \$ 29	

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, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2016			Memo	
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Cash Received				Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education															
General Fund:															
Special Education Categorical Aid	495-034-5120-089	\$ 9,141,043	7/1/15	6/30/16			\$ 8,243,076	\$ (9,141,043)						\$ (897,967)	\$ (9,141,043)
Special Education Categorical Aid	495-034-5120-089	9,141,043	7/1/14	6/30/15	(900,302)		900,302								
Equalization Aid	495-034-5120-078	39,889,745	7/1/15	6/30/16			35,971,194	(39,889,745)						(3,918,551)	(39,889,745)
Equalization Aid	495-034-5120-078	39,889,745	7/1/14	6/30/15	(3,928,747)		3,928,747								
Transportation Aid	495-034-5120-014	4,586,531	7/1/15	6/30/16			4,135,975	(4,586,531)						(450,556)	(4,586,531)
Transportation Aid	495-034-5120-014	4,586,531	7/1/14	6/30/15	(451,728)		451,728								
Security Aid	495-034-5120-084	1,820,980	7/1/15	6/30/16			1,642,097	(1,820,980)						(178,883)	(1,820,980)
Security Aid	495-034-5120-084	1,820,980	7/1/14	6/30/15	(179,349)		179,349								
Adjustment Aid	495-034-5120-085	11,839,961	7/1/15	6/30/16			10,676,868	(11,839,961)						(1,163,093)	(11,839,961)
Adjustment Aid	495-034-5120-085	11,839,961	7/1/14	6/30/15	(1,166,120)		1,166,120								
PARCC Readiness Aid	495-034-5120-098	155,830	7/1/15	6/30/16			140,522	(155,830)						(15,308)	(155,830)
Per Pupil Growth Aid	495-034-5120-097	155,830	7/1/15	6/30/16			140,522	(155,830)						(15,308)	(155,830)
PARCC Readiness Aid	495-034-5120-098	155,830	7/1/14	6/30/15	(15,348)		15,348								
Per Pupil Growth Aid	495-034-5120-097	155,830	7/1/14	6/30/15	(15,348)		15,348								
Under Adequacy Aid	495-034-5120-096	433,801	7/1/15	6/30/16			391,187	(433,801)						(42,614)	(433,801)
Under Adequacy Aid	495-034-5120-096	433,801	7/1/14	6/30/15	(42,725)		42,725								
Extraordinary Aid	495-034-5120-044	1,062,889	7/1/15	6/30/16				(1,062,889)			\$ (1,062,889)				(1,062,889)
Extraordinary Aid	495-034-5120-044	1,134,131	7/1/14	6/30/15	(1,134,131)		1,134,131								
Non-Public Transportation Aid	495-034-5120-014	23,664	7/1/15	6/30/16				(23,664)				(23,664)			(23,664)
Non-Public Transportation Aid	495-034-5120-014	24,708	7/1/14	6/30/15	(24,708)		24,708								
Reimbursed TPAF - Social Security	495-034-5094-003	6,789,380	7/1/15	6/30/16			6,487,037	(6,789,380)				(302,343)			(6,789,380)
Reimbursed TPAF - Social Security	495-034-5094-003	6,828,278	7/1/14	6/30/15	(305,582)		305,582								
Reimbursed TPAF - Pension	495-034-5094-002	7,182,674	7/1/15	6/30/16			7,182,674	(7,182,674)							(7,182,674)
Reimbursed TPAF - Post Retirement	495-034-5094-001	8,552,579	7/1/15	6/30/16			8,552,579	(8,552,579)							(8,552,579)
Total General Fund					(8,164,088)		91,727,819	(91,634,907)				(1,388,896)	-	(6,682,280)	(91,634,907)
Special Revenue Fund:															
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	87,021	7/1/15	6/30/16			87,021	(85,082)					\$ 1,939		(85,082)
Textbook Aid	100-034-5120-064	88,596	7/1/14	6/30/15	408			(408)							
Nursing Services	100-034-5120-070	137,160	7/1/15	6/30/16			137,160	(134,550)						2,610	(134,550)
Technology	100-039-5120-373	39,624	7/1/15	6/30/16			39,624	(38,406)						1,218	(38,406)
Technology	100-039-5120-373	47,584	7/1/14	6/30/15	3,238			(3,238)	\$ 24					24	
Security	100-034-5120-509	38,100	7/1/15	6/30/16			38,100	(33,566)						4,534	(33,566)
Non Public Auxiliary Services (Ch. 192):															
Home Instruction	100-034-5120-067	5,608	7/1/15	6/30/16				(5,608)			\$ (5,608)				(5,608)
Compensatory Education	100-034-5120-067	219,545	7/1/15	6/30/16			219,545	(200,671)					18,874		(200,671)
Compensatory Education	100-034-5120-067	206,930	7/1/14	6/30/15	48,821			(48,821)							
ESL	100-034-5120-067	5,695	7/1/15	6/30/16			5,695	(2,416)						3,279	(2,416)
Transportation	100-034-5120-068	23,837	7/1/15	6/30/16			23,837	(23,837)							(23,837)
Transportation	100-034-5120-068	26,350	7/1/14	6/30/15	2,311			(2,311)							
Non Public Handicapped Services (Ch. 193):															
Supplemental Instruction	100-034-5120-066	90,593	7/1/15	6/30/16			90,593	(76,117)						14,476	(76,117)
Supplemental Instruction	100-034-5120-066	109,073	7/1/14	6/30/15	33,428			(33,428)							
Examination and Classification	100-034-5120-066	164,462	7/1/15	6/30/16			164,462	(153,043)						11,419	(153,043)
Examination and Classification	100-034-5120-066	134,369	7/1/14	6/30/15	10,094			(10,094)							
Corrective Speech	100-034-5120-066	61,869	7/1/15	6/30/16			61,869	(54,514)						7,355	(54,514)
Corrective Speech	100-034-5120-066	49,476	7/1/14	6/30/15	6,891			(6,891)							
Total Special Revenue Fund					105,191		867,906	(807,810)	(105,191)	24		(5,608)	-	65,728	(807,810)
Debt Service Fund:															
Debt Service - Type II Aid	495-034-5120-017	351,843	7/1/15	6/30/16			351,843	(351,843)							(351,843)
Total Debt Service Fund							351,843	(351,843)							(351,843)
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program (State share)	100-010-3350-023	41,171	7/1/15	6/30/16			31,669	(41,171)				(9,502)			(41,171)
State School Lunch Program (State share)	100-010-3350-023	39,107	7/1/14	6/30/15	(8,150)		8,150								
Total Enterprise Fund					(8,150)		39,819	(41,171)				(9,502)	-		(41,171)
Total State Financial Assistance					\$ (8,067,047)	\$ -	\$ 92,587,387	\$ (92,835,731)	\$ (105,191)	\$ 24	\$ (1,404,006)	\$ -	\$ 65,728	\$ (6,682,280)	\$ (92,835,731)
State Financial Assistance Not Subject to Single Audit Determination:															
Reimbursed TPAF - Pension	495-034-5094-002	7,182,674	7/1/15	6/30/16			7,182,674	(7,182,674)							(7,182,674)
Reimbursed TPAF - Post Retirement	495-034-5094-001	8,552,579	7/1/15	6/30/16			8,552,579	(8,552,579)							(8,552,579)
Total State Financial Assistance Subject to Single Audit Determination					\$ (8,067,047)	\$ -	\$ 77,252,134	\$ (77,100,478)	\$ (105,191)	\$ 24	\$ (1,404,006)	\$ -	\$ 65,728	\$ (6,682,280)	\$ (77,100,478)

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

June 30, 2016

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the two last state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent year due to the state deferral and recording of the last state aid payments in the subsequent year.

Toms River Regional School District

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

June 30, 2016

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 \$17,387 for the general fund and \$34,380 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 \$12,341 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,810,536	\$ 91,652,294	\$ 99,462,830
Special Revenue Fund	6,534,583	808,188	7,342,771
Debt Service Fund		351,843	351,843
Food Service Enterprise Fund	2,373,519	41,171	2,414,690
Total award revenues	<u>\$16,718,638</u>	<u>\$ 92,853,496</u>	<u>\$ 109,572,134</u>

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, 2016

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, 2016.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2016 amounted to \$15,735,253. 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 in the process of being reviewed by FEMA and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the District experienced over a specified period. A decision from FEMA is expected in 2017. The loan matures in 2018.

7. Adjustments

The adjustments presented on schedule K-3 and K-4 represents the cancellation of prior year accounts receivable and adjustment to due to grantor, respectively.

8. Indirect Costs

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

Toms River Regional School District
Schedule of Findings and Questioned Costs

June 30, 2016

Part I—Summary of Auditors Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Are any material weaknesses identified?	___ Yes	___ <u>X</u> ___	No
Are any significant deficiencies identified?	___ Yes	___ <u>X</u> ___	None Reported
Is any noncompliance material to financial statements noted?	___ Yes	___ <u>X</u> ___	No

Federal Awards Section

Internal control over major federal programs:			
Are any material weaknesses identified?	___ Yes	___ <u>X</u> ___	No
Are any significant deficiencies identified?	___ Yes	___ <u>X</u> ___	None Reported

Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	___ <u>X</u> ___	No

Toms River Regional School District
Schedule of Findings and Questioned Costs

June 30, 2016

Part I--Summary of Auditors Results (continued)

Federal Awards Section (continued)

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.010A	S010A150030	Title I, Part A
14.269	N/A	Community Development Block Grant (CDBG)

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

Auditee qualified as low-risk auditee? Yes X No

Toms River Regional School District
Schedule of Findings and Questioned Costs

June 30, 2016

Part I--Summary of Auditors Results (continued)

State Awards Section

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

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

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

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
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

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$2,313,014

Auditee qualified as low-risk auditee? _____ Yes X No

Toms River Regional School District
Schedule of Findings and Questioned Costs

June 30, 2016

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

June 30, 2016

Part III—Schedule of Federal and State Award Findings and Questioned Costs

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

Federal Award Programs

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

State Award Programs

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

Toms River Regional School District
Summary Schedule of Prior Audit Findings

June 30, 2016

Not applicable.