



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, 2018

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, 2018**

Prepared by

**Toms River Regional School District
Business Administrator's Office**

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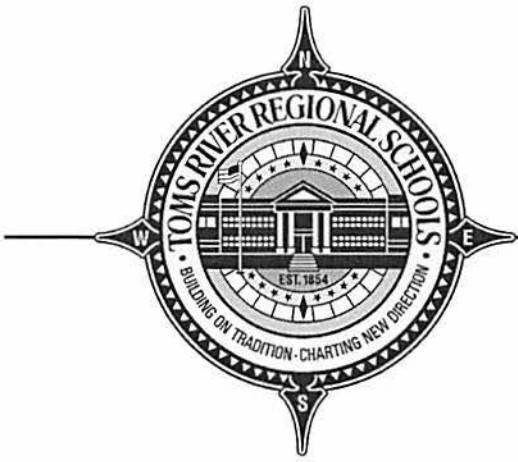
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Introductory Section



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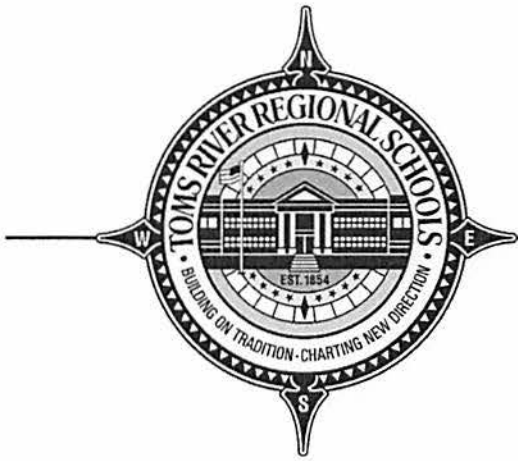
February 15, 2019

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, 2018 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, 2018, 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 2017-2018 school year decreased by 203.4 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
2013-14	16,134.1	-422.3	-0.0255%
2014-15	15,783.8	-350.3	-0.0217%
2015-16	15,812.0	+ 28.2	+0.0018%
2016-17	15,602.8	-209.2	-0.0132%
2017-18 (as submitted)	15,399.5	-203.3	-0.0130%

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 over \$500 million in ratables have yet to return to the tax rolls, although the ratable recovery process is ongoing. It is expected that the aftereffects of Superstorm Sandy will put a strain on tax revenues and services for years to come.

The 2018-2019 School Budget was approved by the Board of Education in April 2018 and the budget as presented provides for a thorough and efficient education. The overall tax levy (general and debt service levy) increase with the 2018-19 budget was 2.4% or \$3.8 million, although the tax increases for the average home in the four towns in the regional district ranged from (.2%) to 3.9%. It should be noted that given the Department of Education's allocation of taxes between the constituent municipalities in the regional district being based on equalized valuations, even smaller percentage changes in the largest ratable base (Toms River Township) can have a significant impact on the tax allocation for all communities in the regional district.



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After we finalized the 2018-19 budget and the New Jersey Department of Education approved it through its Ocean County Office, changes in school aid allocations were made in arriving at a final State budget, which resulted in a \$2.4 million reduction in school aid for our district. Especially given the timing of the notification of the reduction in school aid, our district covered that unanticipated, last-minute shortfall by increasing the use of surplus and maintenance reserve dollars to unsustainably high levels. The district submitted much substantiation in applying for restoration of the \$2.4 million in aid that was cut through an emergency aid application, which was denied by the NJ Department of Education in a letter dated October 26, 2018.

With the approval of P.L 2018, Chapter 67, the district expects to cumulatively lose from \$70-\$80 million in school aid (depending on the calculations presented by NJASBO, or the calculation presented by the Education Law Center) over the next 6 budget years, which will decimate our school district and will result in catastrophic cuts in staff, programs and services. The district continues to pursue all means of addressing the unjust allocation of school aid, including through legislative channels and by the Board approving a resolution for our district to join with other districts, municipalities and individuals to litigate based on the glaring and known material flaws in the school aid formula that continue to generate unjust allocations.

The District continues to be concerned about the status of the economy and the fiscal health of the State of New Jersey. The State again delayed the payment of the final two State Aid payments for the year, totaling \$6,608,871 as of June 30, 2018. Although the District will continue to strive to find fiscal efficiencies in all aspects of our operations, we remain concerned about our levels of surplus and reserves, the impact of the 2% property tax cap, and most notably the impact of current and future allocations of State Aid.

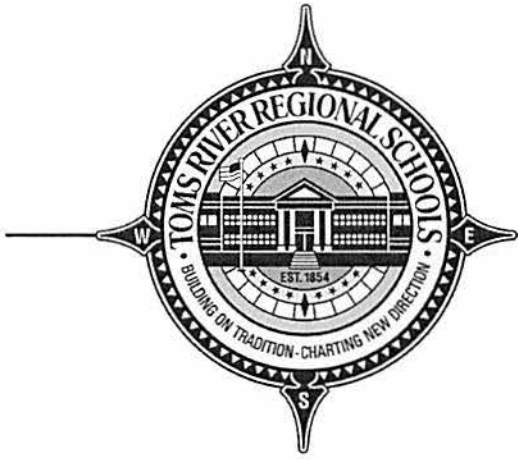
3. MAJOR INITIATIVES

English/Language Arts:

K – 5

During the 2018-19 school year, staff members in kindergarten through grade five are implementing a new writing program that was piloted and introduced in several grades during the 2017-18 school year. The writing curriculum, *Write Now Right Now*, is comprised of standards-aligned unit plans that provide comprehensive lessons and instructional resources to cover all major writing genres and prepare students to write effectively from text using textual evidence for support. Staff members were provided with professional development for this implementation during June 2018, as well did they have the opportunity to attend summer workshops and district sessions in early October. Kindergarten and grade one also implemented a consistent handwriting program for the first time, *Handwriting Without Tears*, which consists of a developmentally appropriate curriculum and related resources to support students through the primary grades.

Additionally, tiered interventions and support remain a major focus, with the expansion of school level intervention teams and training for effective literacy instruction. Professional development and consulting has become more personalized with support being offered at the building level in a variety of structures.



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6 – 8

English Language Arts at the intermediate level continues to be a blend of our independent reading/conferring initiative and whole class reading and writing instruction, completely aligned to the NJSLs and outlined in our grade level curricula. Our 42 minute daily Academic Activity class is comprised of independent reading and conferring, as well as on-line, differentiated, informational text reading instruction using Achieve3000, both of which provide opportunities for focused remediation for students in need. This year, we offered Basic Skills students the Boost Literacy Solution as part of our Achieve3000 subscription. Students' lexiles, or reading levels, are periodically assessed using Achieve's LevelSet feature, and classroom libraries, purchased with district funds, provide leveled reading materials. Teachers' novice conferring skills will require ongoing professional development for continued success. This year, we will continue to build libraries and train teachers in conferring. The Achieve3000 subscription will be continued in 2018-19 and provided to all students 6-8.

9 – 12

English Language Arts at the secondary level is continuing to integrate independent reading, literature circles and core literary texts (with some conferencing) as our students grow as readers and writers; classroom libraries in grades 9-12 are expanding to accommodate this research-supported initiative. Our curriculum continues to be revised to support the New Jersey Student Learning Standards (NJSLs) in English Language Arts. Student reading levels are assessed through the Independent Reading Level Assessment (IRLA) programs in grades 10 and 11. In 2018, a basic skills reading class was started at grade 9 to support students who would benefit from extra support in reading.

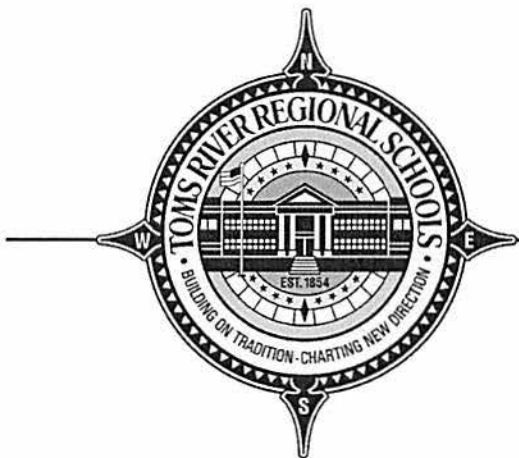
Mathematics:

K – 5

This year we are implementing a new mathematics program entitled *Ready Mathematics*. Bundled within this implementation is the product *iReady*, which is an adaptive assessment tool that provides personalized learning modules that will encourage growth for learners achieving at all levels. This product was one of two comprehensive pilots undertaken during the 2017-18 school year and was chosen due to its alignment with the NJSLs and its capacity for differentiation.

6 – 8

The Academic Activity period provided opportunities to introduce lessons employing “productive struggle.” This critical problem solving skill is strongly emphasized in the NJSLs and the NGSS (Next Generation Science Standards.) Teachers analyzed data to determine curriculum weaknesses and strengths and modified lessons accordingly. Mathematics Basic Skills was altered this year to provide full period support during the Academic Activity marking period. Basic Skills Math instruction was supported with “i-Ready.” This online, personalized learning tool identifies student skill deficiencies and provides targeted instruction using one-to-one conferencing and mini, small group instruction to grow these skills. “i-Ready” will be purchased for continued implementation in the 2018-2019 school year.



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9 – 12

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

In preparation for the NJDOE mandate to have every student take a computer science course by 2022, the district will pilot programs in advanced coding, currently offered through the math department, and cross-curricular applications, working with other departments.

Science:

K – 5

Science unit and lesson expansion work that took place during the summer of 2018 is being rolled out during the 2018-19 school year, with a focus on getting to the core of the NGSS and providing students with opportunities to demonstrate mastery through various embedded assessment options.

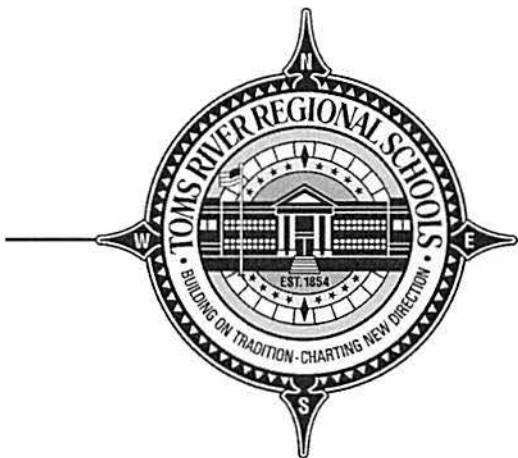
6 – 8

This year we are excited to continue to offer students an exciting, engineering-focused, project-based learning opportunity in our 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. This course has been a favorite with students in the past, and we look forward to having many more fun and exciting learning experiences during the 2018-2019 school year! Consumable items and materials have been purchased to allow students to build, test, construct, and invent their way through these interesting and engaging projects.

In the regular Science academic course, once again this year, our students will be encouraged to explore the relevant curricular topics via a hands-on, inquiry based approach that focuses on learner-driven projects and productive struggle. Consumable materials and supplies are also necessary on a continuous basis to provide teachers and students with what is needed to participate in these activities and experiments. Students will also focus on improvement of ELA skills, most notably reading and interpreting informational text and constructing well-written essays that cite evidence to support their claims and opinions. Students will also utilize the Achieve3000 program in Science class regularly to provide individualized reading material that is targeted to each student's specific lexile level.

9 – 12

We will continue to provide an inquiry based curriculum that is aligned with the Next Generation Science Standards (NGSS). We will also continue infusing technology to support instruction wherever possible and maximize opportunities for students to engage in creative and critical thinking. Summer 2019 Professional Development is planned for teachers to provide assistance as NGSS-aligned and adjusted curricula are rolled



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out. We will also review and revise course offerings in support of the district's STEAM academy. Additional expansion of the STEAM course offerings is planned. Replacement of the non-NGSS aligned Physical Science course with Forensic Science is in the discussion phase. We are also considering modification of the existing Marine I course (currently being offered at the offsite Poseidon Lab) so that Marine I can be satisfactorily adapted to the STEAM academy setting. The use of technology in the classroom, especially at the AP Physics level, is continuing to grow.

Social Studies:

K – 5

A curriculum team representing all grade levels will continue to collaborate during the school year to create an additional project based unit. Social Studies curriculum revision will begin in January 2019.

6 – 8

The 6-8 Social Studies program will work with the Achieve 3000 platform along with ELA (Language Arts) and Science teachers. The goal is the further development of key reading skills while developing disciplinary knowledge and vocabulary. The program will continuously assess students reading levels and automatically differentiate instruction. The 6-8 teachers will also emphasize curriculum delivered in student-centered lessons that engage all students in the content. Research simulation tasks will continue to be implemented to develop skills for PARCC.

9 – 12

The 9-12 Social Studies program will continue work with student-centered curriculum delivery that engage students in the content. LATIC (learner active, technology-infused classroom) training network are being increasingly implemented in the social studies classrooms. AP Government curriculum has been revised to match the shift in the exam focus for May of 2019. Materials are being utilized to meet the needs of students taking the classes. Continued work is taking place to ensure the New Jersey Student Learning Standards are being met in our curriculum and its delivery.

Visual and Performing Arts:

K-12

In anticipation of and preparation for revised Arts NJ Student Learning Standards next year, curriculum and course offerings are being reviewed. Increased integration of the arts across the curriculum remains a focus as does the integration of content knowledge in Arts classes.

6-8

At the Intermediate level, a new schedule is being proposed that will require changes to electives including visual and performing arts, making them more cross curricular and authentic.



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9-12

The Arts Academy is in its second year at Toms River High School North. New courses including Keyboarding 1 & 2 and Dance 1 & 2 have been created, requiring the purchase of support materials. Learning spaces are being upgraded and modified to accommodate academy classes. The Digital Arts component has required and will require some upgrades to technology, and a new or modified course in Mixed Reality/3D Design has been proposed.

Health and Physical Education:

K-5

During the 2018-19SY the physical education teachers will place an increased focus on social-emotional learning and support their colleagues with a new implementation provided by *Sanford Harmony* at the K-5 level.

6 – 12 district curriculum and common quarterly assessments will be reviewed and adjusted to assure alignment to the NJSLs. The high school Option II program will once again be offered as well as reviewed and refined. The Dance Academy at Toms River High School North is in the second year of development. A new course for year two has been created. The dance room continues to be upgraded and modified to meet curricular needs. Training and support materials will be provided on an ongoing basis as we continue to implement a wellness and fitness based health and physical education program in grades 6-12. We will continue to upgrade outdated books and materials for classroom use in health.

World Languages and ESL:

K-12

Elementary World Language teachers worked to revise curriculum documents (including pacing guides) during the 2018-19 school year. A focus will fall on the development of a practical curriculum to support grades K-2.

Curriculum committees in the 9-12 World Language Department will work on revising and writing new curriculum focusing on developing language proficiency through a communicative approach, while integrating culture and cross-curricular study. Teachers will use authentic materials and technology to provide students with opportunities to engage in interpersonal, presentational, and interpretive modes of communication. Specific areas of focus for curriculum development will be Spanish 4/5 A, Spanish 4/5 B, and Heritage 1 and 2. Teachers in these areas will also be researching authentic materials in the form of supplemental books and/or textbooks to support the development of new curriculum. Common quarterly assessments and rubrics in all areas will be reviewed and modified to ensure that they are aligned to the curriculum and standards.

World Language teachers 6-8 are reviewing the grade 6 and 7 curriculums, which focus on fables and legends, to discuss the possibility of rewriting the existing curriculum so that it supports a communicative approach, consistent with the K-5 and 9-12 program. This year, Pinnacle students are piloting a full year course of



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Spanish 1, with intention of having these students enter ninth grade enrolled in a Spanish 2 course and continuing language study for four years of high school.

The ESL population at the secondary level has been steadily growing. Many students are entering the district at the beginner level, and/or with limited education in their home language. Chromebooks have been a great resource for students to access translation and video content for language supports. Title III funding will be used to continue to build technology inventory so that students have consistent access throughout the day. Workshops will be offered to classroom teachers who work with ELLs to provide strategies for how to support ELLs in the content areas.

Technology:

K-12

As more textbook publishers expand their digital offerings, the district continues to invest in technology tools, platforms, and infrastructure improvements to increase student achievement, improve communication and productivity, and develop career and college-ready skills. These include the first year of Performance Matters, a student achievement data platform; expansion of the use of Genesis, a student information system (grades, attendance, demographics) and an HR and staff evaluation platform; subscriptions to student support technology like Achieve3000, iReady, Read180; and increasingly digital resources associated with all content areas to augment paper texts.

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

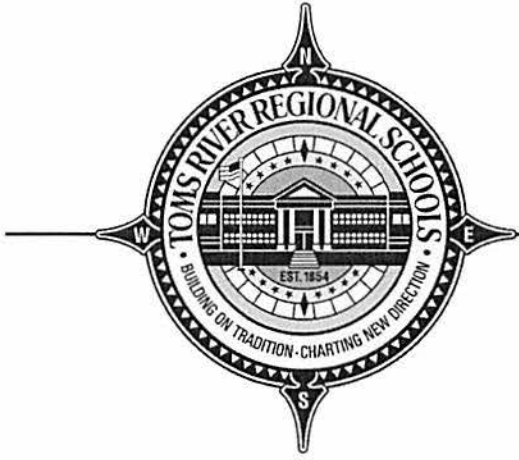
In anticipation of the arrival of new standards from the NJDOE, curriculum updates and revisions will be completed in the 2019-2020 school year. Training and materials will be provided on an ongoing basis as new technologies emerge and existing technologies further meet the instructional needs of our students.

Computer lifespans have been calculated into the budget. For example, our first generation Chromebooks will reach the end of their supported lifespan at the end of this year. In advance of the 2022 NJDOE mandate to have every high school student take a computer science course, many desktop labs will continue to require software and hardware updates.

21st Century Life Skills

6-12

At the Intermediate level, a new schedule is being proposed that will require changes to electives including cooking, sewing, and CTE, making them more cross curricular and authentic.



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High School elective 21st Century Life Skills courses are in the areas of business, engineering and design and fashion. Toms River Schools is planning to increase Option II (alternative pathways to graduation) opportunities next year, including dual enrollment, internships, and online learning. The district is also expanding its three Career Academies for their 3rd year: STEAM (Science, Technology, Engineering, Art and Math); Business and Finance; and Arts (Visual, Performing and Digital). Budgetary considerations include facilities, equipment, materials, personnel (recruitment and hiring), professional development, and curriculum writing both to strengthen existing course offerings and to support needed new programs.

Targeted teacher training and curriculum revision continued through the summer of 2018 and into the school year. Academy teacher training focuses on the creation of Authentic Learning Units. These units embed real-world problem-solving, related to the Career Academy strand. It also promotes interdisciplinary content and student-led learning. The district's upgraded technology is an integral part of this initiative to foster student success and their preparation for careers and college.

4. INTERNAL ACCOUNTING CONTROLS

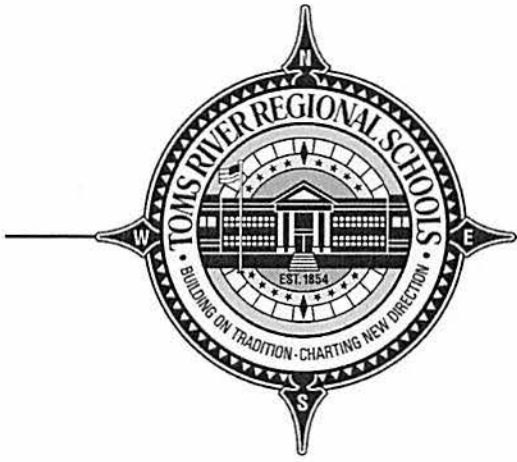
Management is responsible for establishing and maintaining an internal control environment designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity 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



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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, 2018.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END

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

8. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements of the Single Audit Act Amendments of 1996 and the related 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, 2017 Comprehensive Annual Financial Report (the fourth year in row the district has achieved this award).



TOMS RIVER REGIONAL SCHOOLS

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

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,

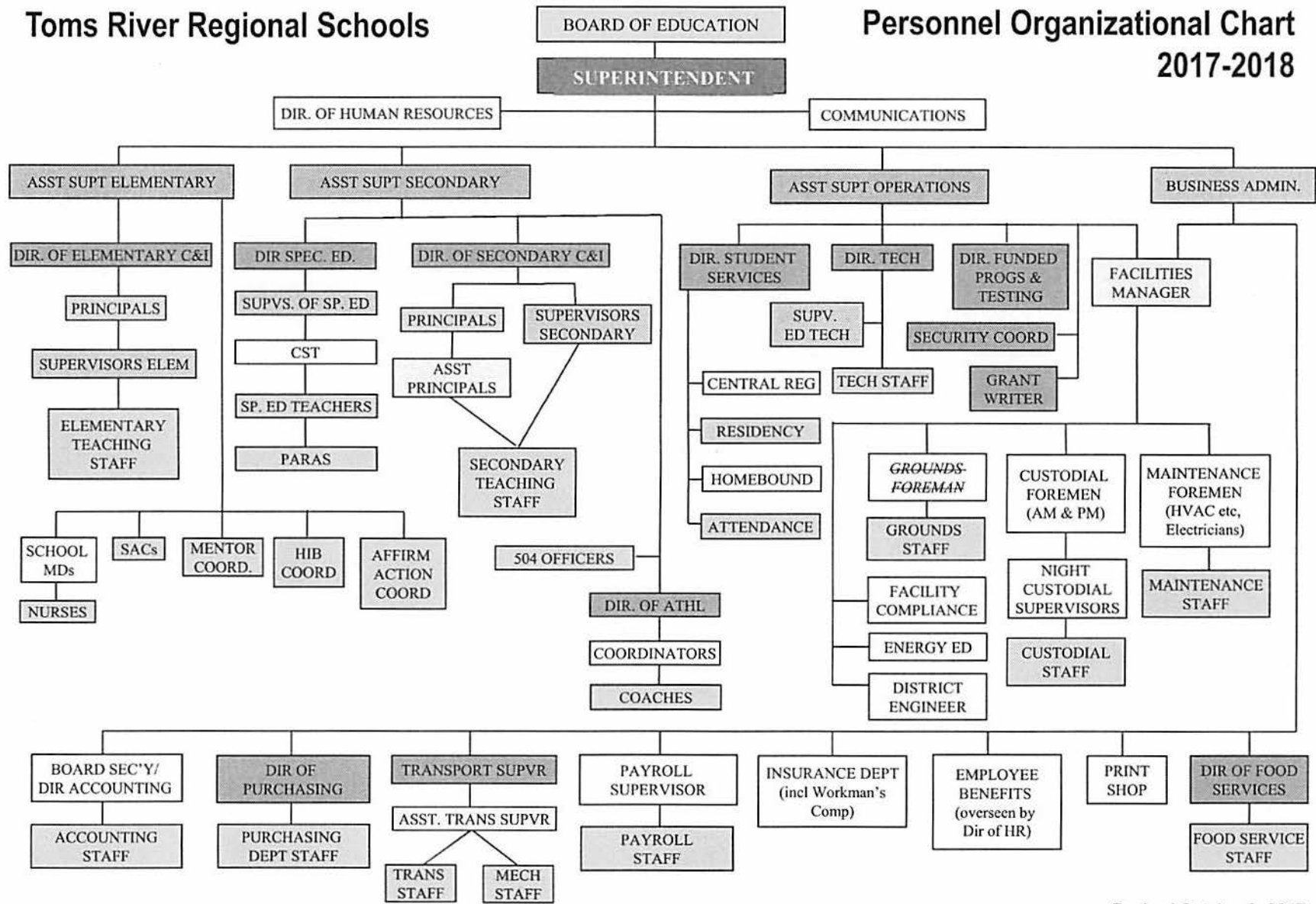
David Healy, Superintendent

William Doering, Business Administrator

Wendy L. Saxton, Board Secretary

Toms River Regional Schools

Personnel Organizational Chart 2017-2018



Revised October 2, 2017

Toms River Regional School District
Toms River, New Jersey

Roster of Officials

June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Russell Corby, President	2019
Joe Nardini, Vice President	2018
Janet Bell	2019
Gidalty (Gigi) Esparza	2018
Michael Horgan	2020
Daniel Leonard	2019
Christopher Raimann	2018
Ginny Rhine	2020
Michele Williams	2020
 <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

June 30, 2018

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, New Jersey 08753

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

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

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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Toms River Regional Schools

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.

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



A handwritten signature in cursive script that reads 'Charles E. Peterson, Jr.' The signature is written in black ink and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in cursive script that reads 'John D. Musso'. The signature is written in black ink and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Toms River Regional School District, County of Ocean, New Jersey (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1.R. to the basic financial statements, during the fiscal year ended June 30, 2018, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which represents a change in accounting principle. As discussed in Note 23 to the basic financial statements, as of July 1, 2017, the District's net position was restated to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

Livingston, New Jersey
February 15, 2019

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, 2018

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, 2018. 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 2018 are as follows:

- Total net position of the governmental activities and business-type activities is \$8,690,745 at June 30, 2018. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflow of resources and current and outstanding long-term liabilities (Schedule A-1).
- The District transferred unassigned fund balance in June of 2018 into the restricted reserve for maintenance in the amount of \$2,500,000.
- The District issued school energy savings obligations refunding bonds, series 2017 in the amount of \$16,710,000.
- The District implemented GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the 2018 fiscal year resulting in the recording of revenue and expense in the amount of \$35,164,015 related to post-employment health benefits paid by the state on behalf of The District.

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 31 and 32 of this report.

Reporting the District's Funds

Fund Financial Statements

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

Governmental Funds

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects 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, and special revenue funds to demonstrate compliance with this budget.

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41 to 86 of this report.

The School District as a Whole

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, 2018 and 2017:

Toms River Regional School District Net Position June 30,

	2018			2017		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Assets:						
Current and other assets	\$ 41,619,020	\$ 2,8575,728	\$ 44,007,258	\$ 21,712,275	\$ 2,906,367	\$ 24,618,642
Capital assets, net	152,117,168	8,997,956	161,115,124	155,638,797	8,810,878	164,449,675
Total assets	193,248,698	11,873,684	205,122,382	177,351,072	11,717,245	189,068,317
Deferred outflows of resources:						
Deferred loss on refunding of debt	2,515,899		2,515,899	2,871,087		2,871,087
Pension deferrals	25,858,024		25,858,024	36,939,417		36,939,417
Total deferred outflows of resources	28,373,923		28,373,923	39,810,504		39,810,504
Liabilities:						
Current liabilities	31,534,834	391,039	31,925,873	31,379,748	217,858	31,597,606
Net pension liability	90,355,186		90,355,186	120,038,158		120,038,158
Long-term liabilities	80,092,371	88,167	80,180,538	63,988,366	130,127	64,118,493
Total liabilities	201,982,391	479,206	202,461,597	215,406,272	347,985	215,754,257
Deferred inflow of resources:						
Pension deferrals	22,343,963		22,343,963	1,573,639		1,573,639
Net position:						
Net investment in capital assets	99,813,914	8,997,956	108,811,870	100,138,595	8,810,878	108,949,473
Restricted for excess surplus-current year	590,534		590,534	1,573,524		1,573,524
Restricted for excess surplus-prior year	1,573,524		1,573,524	159,120		159,120
Restricted for capital reserve	5,206,098		5,206,098	5,847,517		5,847,517
Restricted for maintenance reserve	7,196,820		7,196,820	6,687,720		6,687,720
Restricted for emergency reserve	709,865		709,865	707,415		707,415
Restricted for capital projects	143,314		143,314			
Unrestricted (deficit)	(117,937,802)	2,396,522	(115,541,280)	(114,932,226)	2,558,382	(112,373,844)
Total net position	\$ (2,703,733)	\$11,394,478	\$ 8,690,745	\$ 181,665	\$11,369,260	\$ 11,550,925

Unrestricted deficit increased \$7,354,482 relating to governmental activities as compared to the prior year, mainly as a result of increases in current year expenses and liabilities.

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 \$444,869 mainly due to an increase to the maintenance reserve in the amount of \$509,100 offset by the decrease in the capital reserve.

Current and other assets increased mainly due to increases to restricted cash for Energy Savings Obligation Refunding Bonds.

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

Long-term liabilities increased mainly due to the increase in bonds payable due to the new energy savings obligation bond, as well as the other post-employment retirement benefits liability, which is the result of the implementation of GASB Statement No. 75.

The net pension liability recorded as of June 30, 2018 is the result of the District following GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68 whereby the unfunded net pension liability continues to grow as the State of New Jersey continues to under-fund the pension system.

Government-wide activities. The key elements of the District's changes in net position for the years ended June 30, 2018 and 2017 are as follows:

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

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 1,401,745	\$ 4,636,184	\$ 6,037,929	\$ 1,524,208	\$ 4,602,364	\$ 6,126,572
Operating grants and contributions	7,889,330	2,217,811	10,107,141	7,941,100	2,311,619	10,252,719
Capital grants and contributions	241,092		241,092	78,082		78,082
General Revenues:						
Property Taxes	157,529,469		157,529,469	150,609,021		150,609,021
Federal and state aid not restricted to specific purposes	168,480,782		168,480,782	138,865,669		138,865,669
Earning on Investments	161,918	955	162,873	28,209	975	29,184
Miscellaneous	1,537,832		1,537,832	1,065,489		1,065,489
Total Revenues	337,242,168	6,854,950	344,097,118	300,111,778	6,914,958	307,026,736
Expenses:						
Instruction and support services	337,238,325	6,721,452	343,959,777	310,821,044	6,605,479	317,426,523
Special schools	64,173		64,173	65,624		65,624
Cost of issuance	121,402		121,402	35,641		35,641
Interest on long-term debt	2,819,562		2,819,562	1,590,563		1,590,563
Total expenses	340,243,462	6,721,452	346,964,914	312,512,872	6,605,479	319,118,351
Change in net position before transfers, special items, and extraordinary item	(3,001,294)	133,498	(2,867,796)	(12,401,094)	309,479	(12,091,615)
Transfers	108,280	(108,280)	-	112,280	(112,280)	-
Special item				5,000,000		5,000,000
Extraordinary item	7,616		7,616	365,782		365,782
Change in Net Position	(2,885,398)	25,218	(2,860,180)	(6,923,032)	197,199	(6,725,833)
Net Position-beginning	181,665	11,369,260	11,550,925	7,104,697	11,172,061	18,276,758
Net Position-ending	\$ (2,703,733)	\$ 11,394,478	\$ 8,690,745	\$ 181,665	\$ 11,369,260	\$ 11,550,925

Tax levy increased due to the increase in the taxable ratables and the tax rate.

Federal and State aid not restricted to specific purposes increased as a result of the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record approximately \$26.3 million in revenues, which were contributions on-behalf of the District by the State for post-employment benefits. This was offset by a decrease in the on-behalf TPAF pension, disability, and medical contributions required under GASB Statement Nos. 68 and 71.

Instruction and support services expenses increased as a result of the District implementing new curriculums and as a result, there was an increase in various instruction line items, such as general supplies and salaries. In addition, approximately \$26.3 million in expenditures were reported for contributions made on-behalf of the District by the State for post-employment benefits due to the implementation of GASB 75. This was offset by a decrease in the on-behalf TPAF pension, disability, and medical contributions required under GASB Statement Nos. 68 and 71.

Interest on long-term debt has increased from the prior year as a result of increased overall debt, therefore, the related interest has increased.

The special item in the prior year was related to the cancellation of the Community Disaster Loan liability, therefore, this was not applicable in the current year.

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 51 percent of revenues for governmental activities in the Toms River Regional School District for fiscal year 2018. 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 1 percent of the total governmental revenues.

The total cost of all programs and services was \$313,899,439. Instruction comprised 99 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 68 percent of total revenue. This represents revenue recognized in the amount of \$2,006,216, or 43 percent, for amounts paid by patrons for daily food service. Day care tuition revenue was \$749,195, or 16 percent, of operating revenue and represents payments for daycare tuition. Rental income for the Corporate Center's rental agreements was \$933,800, or 20 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 RWJ Barnabas Health Arena recognized \$410,492 and \$536,481, respectively, or 9 and 12 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 \$2,217,811 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 \$18,424,746, including funds restricted for capital, maintenance and emergency reserves in the amount of \$13,112,783. \$590,534 has been generated in current year excess surplus. \$1,573,524 of prior year excess surplus has been designated for subsequent year's expenditures. The remaining amount of \$226,476 represents the balance designated for subsequent year's expenditures and \$1,157,955 has been assigned as additional fund balance designated for subsequent year's expenditures as the result of the 2018-19 state aid reduction. \$3,003,551 was designated for encumbrances offset by a general fund unassigned deficit of \$2,921,429 (unassigned fund balance netted with the delayed state aid payments) resulting in the \$1,763,474 balance assigned to other purposes.

Special Revenue Fund. The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year increased by \$115,240 attributable mostly to an increase in federal and local grants expended. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$3,793,271.

Capital Projects Fund. The District uses the capital projects fund to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by proprietary funds and trust funds). During the current fiscal year, the District issued \$16,710,000 in ESIP refunding bonds and expended \$685,870 for architectural and engineering services.

Debt Service Fund. The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$84,167, which is attributable to the funds generated as result of prior years refundings of debt.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The schedule below presents a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Local sources	\$ 160,918,784	59.9%	\$ 7,331,383	4.8%
State sources	100,499,530	37.4	4,173,396	4.3
Federal sources	7,254,486	2.7	(43,391)	(0.6)
Total	\$ 268,672,800	100.0%	\$ 11,461,388	8.5%

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

State sources increased due mainly to the increase in the on-behalf pension, disability, and medical contributions that were made by the State in fiscal year 2018.

Federal sources in the current year remained comparable to the prior year.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 98,261,574	36.4%	\$ 524,083	0.1 %
Support services	158,871,248	58.8	9,706,948	6.5
Special schools	31,795	0.0	(481)	(1.5)
Capital outlay	4,619,545	1.7	595,007	14.8
Debt service:				
Principal	6,812,156	2.5	2,139,322	45.8
Interest	1,686,469	0.6	(60,370)	16.6
Total	\$270,282,487	100.0%	\$ 12,904,509	4.76 %

Current expenditures reflect an overall increase attributable to normal operational increases in the areas of salaries, health benefits, textbooks and supplies, as the District engaged in various curriculum changes and improvements during the year. Interest expenditures were increased due to additional debt in the current year and prior year refundings which delay payments which came due in the current 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. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts. None of these transfers were significant.

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

Revenues

- Actual tuition from other LEAs within the state was in excess of the modified budget by \$627,656 or 147% as a result of the District budgeting conservatively for homeless tuition as this amount varies widely from year to year.
- Actual miscellaneous revenue was in excess of the modified budget by \$629,020 or 153% as a result of significantly increased amount of general and payroll account interest earned than anticipated in addition to a larger amount of E-rate reimbursements than what was budgeted.
- Actual extraordinary aid was in excess of the modified budget by \$725,963 or 97% as a result of the fact that the final award amount is calculated by the State of New Jersey and is not required to be budgeted for.

Capital Assets

At the end of the fiscal year 2018, the District had \$161,115,124 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, 2018 and 2017:

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Land	\$ 5,368,923	\$ 5,368,923	\$ 1,421,600	\$ 1,421,600
Land improvements	4,982,515	5,936,141	281,501	117,853
Building and building improvements	135,011,995	139,468,274	6,891,706	6,872,582
Machinery and equipment	6,753,735	4,865,459	403,149	398,843
Total	\$152,117,168	\$155,638,797	\$ 8,997,956	\$ 8,810,878

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

Debt Administration and Long-Term Liabilities

At June 30, 2018, the District had \$178,233,519 of outstanding debt and other long-term liabilities, of which \$7,775,962 was classified as the current portion.

At June 30, 2018 and 2017, the District's long-term liabilities consisted of:

	<u>2018</u>	<u>2017</u>
Bonds payable	\$61,075,000	\$49,080,000
Other post-employment benefits payable	3,231,183	3,718,675
Unamortized premium on bonds	2,684,415	1,554,395
Notes payable	914,170	1,097,004
Deferred pension obligation	776,417	842,878
Capital leases payable	6,855,568	6,639,890
Compensated absences payable	12,331,580	12,739,096
Net pension liability	90,355,186	120,038,158
Total long-term liabilities	<u>\$178,223,519</u>	<u>\$191,991,421</u>

The District issued School Energy Savings Obligations Refunding Bonds in the amount of \$16,710,000 in the current year. For more detailed information, please refer to Note 5 to the basic financial statements.

The District recorded a liability for other-post employment benefits under GASB Statement No. 75. In the prior year based on the GASB Statement No. 45 valuation, the District was in an overfunded position and recorded an asset. Refer to Note 23 to the basic financial statements.

The net pension liability has decreased based on the actuarial valuation of the District's portion of the state pension liability.

For the Future

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

On July 13, 2018, the New Jersey State budget was signed, which included revised state aid for school districts. Most districts in the State received an increase in state aid, however, certain districts received a decrease. Toms River Regional School District's revised aid allocation when the budget was signed resulted in a decrease in State aid of \$2,357,955.

The District filed an application to have the reduction in aid reversed. In November 2018, the District received notification from the State that their application was denied. As a result, the District has revised the 2018-19 budget to utilize \$1,157,955 of unassigned fund balance and \$1,200,000 of additional maintenance reserve funds.

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, 2018.

Toms River Regional School District

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,046,236	\$ 2,430,020	\$ 6,476,256
Investments	100,216		100,216
Advance deposit	509,391		509,391
Accounts receivable	3,307,575	184,860	3,492,435
Internal balances	36,030	(36,030)	-
Inventories		143,028	143,028
Other assets		153,850	153,850
Restricted assets:			
Cash and cash equivalents	13,623,860		13,623,860
Cash held with fiscal agent	19,508,222		19,508,222
Capital assets, non-depreciable	5,368,923	1,421,600	6,790,523
Capital assets, depreciable, net	146,748,245	7,576,356	154,324,601
Total assets	<u>193,248,698</u>	<u>11,873,684</u>	<u>205,122,382</u>
Deferred outflows of resources			
Deferred loss on refunding of debt	2,515,899		2,515,899
Pension deferrals	25,858,024		25,858,024
Total deferred outflows of resources	<u>28,373,923</u>		<u>28,373,923</u>
Liabilities			
Accounts payable	6,175,745	99,014	6,274,759
Intergovernmental accounts payable:			
State	161,160		161,160
Federal	8,243		8,243
Accrued interest payable	1,312,729		1,312,729
Accrued liability for insurance claims	15,240,942		15,240,942
Accrued salaries and wages		38,889	38,889
Unearned revenue	508,421	137,961	646,382
Other liabilities	351,632	83,764	435,396
Current portion of long-term obligations	7,775,962	31,411	7,807,373
Net pension liability	90,355,186		90,355,186
Noncurrent portion of long-term obligations	80,092,371	88,167	80,180,538
Total liabilities	<u>201,982,391</u>	<u>479,206</u>	<u>202,461,597</u>
Deferred Inflow of Resources			
Pension deferrals	<u>22,343,963</u>		<u>22,343,963</u>
Net Position			
Net investment in capital assets	99,813,914	8,997,956	108,811,870
Restricted for:			
Excess Surplus-Current Year	590,534		590,534
Excess Surplus - prior year designated for subsequent years expenses	1,573,524		1,573,524
Capital Reserve	5,206,098		5,206,098
Maintenance Reserve	7,196,820		7,196,820
Emergency Reserve	709,865		709,865
Capital Projects	143,314		143,314
Unrestricted (deficit)	(117,937,802)	2,396,522	(115,541,280)
Total net position	<u>\$ (2,703,733)</u>	<u>\$ 11,394,478</u>	<u>\$ 8,690,745</u>

See accompanying notes to basic financial statements.

Toms River Regional School District

Statement of Activities

Year ended June 30, 2018

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	
Governmental activities						
Instruction	\$ 211,887,951	\$ 1,242,546	\$ 5,805,570		\$ (204,839,835)	\$ (204,839,835)
Support services						
Attendance/social work	387,746				(387,746)	(387,746)
Health services	6,397,628				(6,397,628)	(6,397,628)
Other support services	24,918,381		2,083,760		(22,834,621)	(22,834,621)
Improvement of instruction	6,011,197				(6,011,197)	(6,011,197)
School library	3,891,383				(3,891,383)	(3,891,383)
Instructional staff training	220,608				(220,608)	(220,608)
General administration	4,916,786				(4,916,786)	(4,916,786)
School administration	17,792,269				(17,792,269)	(17,792,269)
Central Services	5,034,316				(5,034,316)	(5,034,316)
Administrative information technology	2,861,286			\$ 241,092	(2,620,194)	(2,620,194)
Required maintenance	7,377,341				(7,377,341)	(7,377,341)
Operation of plant	20,591,699				(20,591,699)	(20,591,699)
Security	2,429,200				(2,429,200)	(2,429,200)
Student transportation	22,514,118	159,199			(22,354,919)	(22,354,919)
Special schools	70,589				(70,589)	(70,589)
Costs of issuance	121,402				(121,402)	(121,402)
Interest on long-term debt	2,819,562				(2,819,562)	(2,819,562)
Total governmental activities	340,243,462	1,401,745	7,889,330	241,092	(330,711,295)	(330,711,295)
Business-type activities						
Food Service	4,294,142	2,006,216	2,217,811		\$ (70,115)	(70,115)
Corporate Center	916,866	933,800			16,934	16,934
Day Care Center	738,499	749,195			10,696	10,696
Bennett Complex	361,086	410,492			49,406	49,406
RWJ Barnabas Health Arena	410,859	536,481			125,622	125,622
Total business-type activities	6,721,452	4,636,184	2,217,811		132,543	132,543
Total primary government	\$ 346,964,914	\$ 6,037,929	\$ 10,107,141	\$ 241,092	(330,711,295)	(330,578,752)
General revenues:						
Property taxes, levied for general purposes					151,916,716	151,916,716
Property taxes, levied for debt service					5,612,753	5,612,753
State Sources					168,170,900	168,170,900
Federal Sources					309,882	309,882
Investment Income					161,918	955
Miscellaneous Income					1,537,832	1,537,832
Total general revenues					327,710,001	955
Change in net position before extraordinary item and transfers					(3,001,294)	133,498
Extraordinary item-restitution funds					7,616	7,616
Total extraordinary item					7,616	-
Transfers					108,280	(108,280)
Change in net position					(2,885,398)	25,218
Net position-beginning					181,665	11,369,260
Net position-ending					\$ (2,703,733)	\$ 11,394,478

Fund Financial Statements

Governmental Funds

**Toms River Regional School District
Governmental Funds**

Balance Sheet

June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 4,414,214		\$ 58,932	\$ 84,167	\$ 4,557,313
Investments	100,216				100,216
Accounts receivable:					
State	1,583,263	\$ 7,919			1,591,182
Federal		1,198,170			1,198,170
Other	514,447	3,776			518,223
Other assets	509,391				509,391
Interfund receivable	124,180				124,180
Restricted assets:					
Cash and cash equivalents	13,112,783				13,112,783
Cash held with fiscal agent	2,283,408		17,224,814		19,508,222
Total assets	\$ 22,641,902	\$ 1,209,865	\$ 17,283,746	\$ 84,167	\$ 41,219,680
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued expenditures	\$ 1,933,748	\$ 522,691			\$ 2,456,439
Intergovernmental accounts payable:					
State		161,160			161,160
Federal		8,243	\$ 79,457		87,700
Interfund payable		8,693			8,693
Other liabilities	2,283,408	657	350,975		2,635,040
Unearned revenue		508,421			508,421
Total liabilities	4,217,156	1,209,865	430,432		5,857,453
Fund balances:					
Restricted for:					
Excess Surplus - current year	590,534				590,534
Excess Surplus - prior year designated for subsequent years expenditures	1,573,524				1,573,524
Capital reserve	5,206,098				5,206,098
Maintenance reserve	7,196,820				7,196,820
Emergency reserve	709,865				709,865
Capital projects			16,853,314		16,853,314
Debt service				\$ 84,167	84,167
Assigned to:					
Additional assigned fund balance designated for subsequent year's expenditures	1,157,955				1,157,955
Designated for subsequent year's expenditures	226,476				226,476
Other purposes	1,763,474				1,763,474
Total fund balances	18,424,746	-	16,853,314	84,167	35,362,227
Total liabilities and fund balances	\$ 22,641,902	\$ 1,209,865	\$ 17,283,746	\$ 84,167	

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 \$377,308,672 and the accumulated depreciation is \$225,191,504.	152,117,168
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.	(1,312,729)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	2,515,899
Accrued liability for insurance claims not due and payable in the current period and therefore is not reported as a liability in the funds.	(15,240,942)
Deferred pension costs in governmental activities are not financial resources (uses) and therefore are not reported in the funds.	3,514,061
Accrued pension contributions for the June 30, 2017 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(3,719,306)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(90,355,186)
Other liabilities included in the governmental funds represent leases that were entered into prior to June 30, 2018 and are included as liabilities in the long-term liability note below.	2,283,408
Other post employment benefits payable liabilities are not due in the current period and therefore reported as long-term liabilities in the funds.	(3,231,183)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(84,637,150)
Net position of governmental activities (A-1)	<u>\$ (2,703,733)</u>

**Toms River Regional School District
Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 151,916,716			\$ 5,612,753	\$ 157,529,469
Interest on investments	82,461		\$ 79,457		161,918
Transportation fees from other LEAs within the State	159,199				159,199
Tuition	1,242,546				1,242,546
Rental Income	119,921				119,921
Solar Renewable Energy Credits	376,611				376,611
Miscellaneous	1,041,300	\$ 367,277			1,408,577
Total revenues-local sources	154,938,754	367,277	79,457	5,612,753	160,998,241
State sources	99,327,782	822,541		349,207	100,499,530
Federal sources	309,882	6,944,604			7,254,486
Total revenues	254,576,418	8,134,422	79,457	5,961,960	268,752,257
Expenditures					
Current:					
Instruction	92,456,004	5,805,570			98,261,574
Undistributed:					
Instruction	5,941,454				5,941,454
Attendance/social work	169,950				169,950
Health services	3,345,174				3,345,174
Guidance services	3,868,002				3,868,002
Speech, OT, PT and related services	3,325,414				3,325,414
Child study teams / special education	3,669,620	2,083,760			5,753,380
Improvement of instruction	2,645,740				2,645,740
School library	1,768,899				1,768,899
Instructional staff training	197,742				197,742
General administration	3,209,748				3,209,748
School administration	7,900,213				7,900,213
Central services	2,271,270				2,271,270
Administrative information technology	1,494,232				1,494,232
Required maintenance	3,484,733				3,484,733
Operation of plant	11,069,296				11,069,296
Care and upkeep of grounds	985,441				985,441
Security	1,073,418				1,073,418
Student transportation	12,381,904				12,381,904
Personnel services-					
unallocated employee benefits	58,726,685				58,726,685
On-behalf payments	29,258,553				29,258,553
Special Schools	31,795				31,795
Capital outlay	4,378,153	241,092	685,870		5,305,115
Debt Service:					
Debt service payment - principal	1,914,322			4,897,834	6,812,156
Debt service payment - interest	166,392		350,975	1,520,077	2,037,444
Costs of issuance			121,402		121,402
Total expenditures	255,734,154	8,130,422	1,158,247	6,417,911	271,440,734
(Deficiency) excess of Revenues (Under) over Expenditures	(1,157,736)	4,000	(1,078,790)	(455,951)	(2,688,477)
Other financing sources (uses):					
Transfers in	191,737			455,910	647,647
Transfers out	(455,910)	(4,000)	(79,457)		(539,367)
Bonds issued			16,710,000		16,710,000
Premium on bonds issued			1,301,561		1,301,561
Capital Leases (non-budgeted)	2,845,573				2,845,573
Total other financing sources (uses)	2,581,400	(4,000)	17,932,104	455,910	20,965,414
Extraordinary Item - restitution funds	7,616				7,616
Net change in fund balances	1,431,280	-	16,853,314	(41)	18,284,553
Fund balances, July 1	16,993,466	-	-	84,208	17,077,674
Fund balances, June 30	<u>\$ 18,424,746</u>	<u>\$ -</u>	<u>\$ 16,853,314</u>	<u>\$ 84,167</u>	<u>\$ 35,362,227</u>

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

Toms River Regional School District
Governmental Funds

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

Year ended June 30, 2018

Total net change in fund balances - governmental funds (B-2)	\$ 18,284,553																		
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>																			
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and disposals. This is the amount by which depreciation expense exceeded capital asset additions and disposals in the period.</p>																			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Depreciation expense</td> <td style="width: 10%; text-align: right;">\$ (7,752,087)</td> <td style="width: 10%;"></td> </tr> <tr> <td>Capital asset additions</td> <td style="text-align: right;">4,248,163</td> <td></td> </tr> <tr> <td>Loss on disposals</td> <td style="text-align: right;"><u>(17,705)</u></td> <td style="text-align: right;">(3,521,629)</td> </tr> </table>	Depreciation expense	\$ (7,752,087)		Capital asset additions	4,248,163		Loss on disposals	<u>(17,705)</u>	(3,521,629)										
Depreciation expense	\$ (7,752,087)																		
Capital asset additions	4,248,163																		
Loss on disposals	<u>(17,705)</u>	(3,521,629)																	
<p>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.</p>																			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Serial bonds</td> <td style="width: 10%; text-align: right;">4,715,000</td> <td style="width: 10%;"></td> </tr> <tr> <td>Issuance of ESIP bonds</td> <td style="text-align: right;">(16,710,000)</td> <td></td> </tr> <tr> <td>Capital lease proceeds</td> <td style="text-align: right;">(2,130,000)</td> <td></td> </tr> <tr> <td>Obligations under capital leases</td> <td style="text-align: right;">1,914,322</td> <td></td> </tr> <tr> <td>Deferred pension obligation</td> <td style="text-align: right;">66,461</td> <td></td> </tr> <tr> <td>Retirements of note principal</td> <td style="text-align: right;"><u>182,834</u></td> <td style="text-align: right;">(11,961,383)</td> </tr> </table>	Serial bonds	4,715,000		Issuance of ESIP bonds	(16,710,000)		Capital lease proceeds	(2,130,000)		Obligations under capital leases	1,914,322		Deferred pension obligation	66,461		Retirements of note principal	<u>182,834</u>	(11,961,383)	
Serial bonds	4,715,000																		
Issuance of ESIP bonds	(16,710,000)																		
Capital lease proceeds	(2,130,000)																		
Obligations under capital leases	1,914,322																		
Deferred pension obligation	66,461																		
Retirements of note principal	<u>182,834</u>	(11,961,383)																	
<p>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. This amount represents the change from the prior year.</p>																			
	487,492																		
<p>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, 2018.</p>																			
	(1,492,689)																		
<p>In the current year, the District entered into capital lease agreements prior to the end of the fiscal year in which the lease proceeds were unspent and recorded as other liabilities in the general fund. This amount represents the change from the prior year.</p>																			
	(713,326)																		
<p>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.</p>																			
	(598,471)																		
<p>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.</p>																			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Amortization of Premium on Bonds</td> <td style="width: 10%; text-align: right;">171,543</td> <td style="width: 10%;"></td> </tr> <tr> <td>Premium on Bond Issuance</td> <td style="text-align: right;">(1,301,563)</td> <td></td> </tr> <tr> <td>Amortization of Deferred Interest Costs</td> <td style="text-align: right;"><u>(355,188)</u></td> <td style="text-align: right;">(1,485,208)</td> </tr> </table>	Amortization of Premium on Bonds	171,543		Premium on Bond Issuance	(1,301,563)		Amortization of Deferred Interest Costs	<u>(355,188)</u>	(1,485,208)										
Amortization of Premium on Bonds	171,543																		
Premium on Bond Issuance	(1,301,563)																		
Amortization of Deferred Interest Costs	<u>(355,188)</u>	(1,485,208)																	
<p>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.</p>																			
	407,516																		
<p>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</p>																			
Pension expense, contributions made and change in accrued contributions	(2,292,253)																		
Change in net position of governmental activities (A-2)	<u>\$ (2,885,398)</u>																		

Enterprise Funds

**Toms River Regional School District
Proprietary Funds**

Statement of Net Position

June 30, 2018

	Business-Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	RWJ Barnabas Health Arena	
Assets						
Current assets:						
Cash and cash equivalents	\$ 193,757	\$ 1,046,378		\$ 705,966	\$ 483,919	\$ 2,430,020
Accounts receivable:						
State	3,089					3,089
Federal	160,472					160,472
Other	8,424		\$ 1,485		11,390	21,299
Inventories	143,028					143,028
Other assets		93,099	60,751			153,850
Total current assets	508,770	1,139,477	62,236	705,966	495,309	2,911,758
Non-current assets:						
Capital assets, non-depreciable		1,421,600				1,421,600
Capital assets, depreciable, net	267,744	4,275,179	10,581	788,308	2,234,544	7,576,356
Total non-current assets	267,744	5,696,779	10,581	788,308	2,234,544	8,997,956
Total assets	776,514	6,836,256	72,817	1,494,274	2,729,853	11,909,714
Liabilities						
Current liabilities:						
Accounts payable	512	97,440			1,062	99,014
Accrued salaries and wages	11,995		24,800		2,094	38,889
Unearned revenue	134,288	450			3,223	137,961
Security deposits		83,764				83,764
Interfund payable			36,030			36,030
Current portion of compensated absences payable	31,411					31,411
Total current liabilities	178,206	181,654	60,830		6,379	427,069
Non-current liabilities:						
Compensated absences payable	88,167					88,167
Total liabilities	266,373	181,654	60,830		6,379	515,236
Net position						
Investment in capital assets	267,744	5,696,779	10,581	788,308	2,234,544	8,997,956
Unrestricted	242,397	957,823	1,406	705,966	488,930	2,396,522
Total net position	\$ 510,141	\$ 6,654,602	\$ 11,987	\$ 1,494,274	\$ 2,723,474	\$ 11,394,478

**Toms River Regional School District
Proprietary Funds**

**Statement of Revenues, Expenses and
Changes in Fund Net Position**

Year ended June 30, 2018

	Business-Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	RWJ Barnabas Health Arena	
Operating revenues:						
Local sources:						
Daily food sales-reimbursable programs	\$ 901,165					\$ 901,165
Daily food sales-non-reimbursable programs	1,105,051					1,105,051
Tuition			\$ 749,195			749,195
Rental income		\$ 933,775		\$ 284,361	\$ 105,240	1,323,376
Sales				123,845	171,597	295,442
Fees collected					245,754	245,754
Miscellaneous		25		2,286	13,890	16,201
Total operating revenues	<u>2,006,216</u>	<u>933,800</u>	<u>749,195</u>	<u>410,492</u>	<u>536,481</u>	<u>4,636,184</u>
Operating expenses:						
Salaries	2,039,752		536,320	175,417	142,318	2,893,807
Employee benefits	274,557		77,989	13,419	19,042	385,007
Repairs and maintenance		155,887		20,496	58,662	235,045
Supplies and materials	83,051	38	52,603	54,436	83,231	273,359
Cost of sales - reimbursable programs	1,356,755					1,356,755
Cost of sales - non-reimbursable programs	329,979					329,979
Depreciation	49,951	180,055	2,008	22,445	74,481	328,940
Amortization		48,252				48,252
Utilities	54,540	239,547		25,491	19,983	339,561
Real estate taxes		145,542				145,542
Rental	34,290		66,264			100,554
Management services		45,780				45,780
Tenant improvements		1,872				1,872
Insurance	11,102			2,021	10,053	23,176
Other purchased services	27,204	69,977		42,803		139,984
Miscellaneous	32,961	29,916	3,315	4,558	3,089	73,839
Total operating expenses	<u>4,294,142</u>	<u>916,866</u>	<u>738,499</u>	<u>361,086</u>	<u>410,859</u>	<u>6,721,452</u>
Operating (loss) income	(2,287,926)	16,934	10,696	49,406	125,622	(2,085,268)
Nonoperating revenues:						
State sources:						
School lunch program	38,487					38,487
Federal sources:						
School breakfast program	433,598					433,598
School lunch program	1,461,821					1,461,821
Healthy Hunger-Free Kids Act (HHFKA)	43,596					43,596
Food donation program - commodities	238,121					238,121
Federal aid reimbursement - (FEMA)	2,188					2,188
Interest revenue		955				955
Total nonoperating revenues	<u>2,217,811</u>	<u>955</u>				<u>2,218,766</u>
(Loss) income before transfers	(70,115)	17,889	10,696	49,406	125,622	133,498
Transfer in	4,000					4,000
Transfers out				(20,972)	(91,308)	(112,280)
Change in net position	(66,115)	17,889	10,696	28,434	34,314	25,218
Total net position, beginning	576,256	6,636,713	1,291	1,465,840	2,689,160	11,369,260
Total net position, end	<u>\$ 510,141</u>	<u>\$ 6,654,602</u>	<u>\$ 11,987</u>	<u>\$ 1,494,274</u>	<u>\$ 2,723,474</u>	<u>\$ 11,394,478</u>

See accompanying notes to basic financial statements.

Toms River Regional School District
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2018

	Business-Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	RWJ Barnabas Health Arena	
Cash flows from operating activities						
Receipts from customers	\$ 2,040,358	\$ 900,121	\$ 707,223	\$ 410,492	\$ 527,080	\$ 4,585,274
Payments to employees	(2,050,301)		(595,966)	(188,836)	(160,510)	(2,995,613)
Payments for employee benefits	(274,557)					(274,557)
Payments for rent	(34,290)		(66,264)			(100,554)
Payments to suppliers	(1,953,794)	(594,766)	(55,918)	(149,805)	(173,956)	(2,928,239)
Net cash (used in) provided by operating activities	<u>(2,272,584)</u>	<u>305,355</u>	<u>(10,925)</u>	<u>71,851</u>	<u>192,614</u>	<u>(1,713,689)</u>
Cash flows from investing activity						
Interest received	-	955				955
Net cash provided by investing activity	<u>-</u>	<u>955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(46,911)	(257,384)		(191,744)	(14,063)	(510,102)
Cash received from other funds for capital asset	4,000					4,000
Net cash (used in) capital and related financing activities	<u>(42,911)</u>	<u>(257,384)</u>	<u>-</u>	<u>(191,744)</u>	<u>(14,063)</u>	<u>(506,102)</u>
Cash flows from noncapital financing activities						
Cash received from state and federal sources	2,332,148					2,332,148
Cash received (disbursed) from (to) other funds			10,925	(20,972)	(91,308)	(101,355)
Net cash provided by (used in) noncapital financing activities	<u>2,332,148</u>	<u>-</u>	<u>10,925</u>	<u>(20,972)</u>	<u>(91,308)</u>	<u>2,230,793</u>
Net increase (decrease) in cash and cash equivalents	16,653	48,926	-	(140,865)	87,243	11,957
Cash and cash equivalents, beginning of year	177,104	997,452	-	846,831	396,676	2,418,063
Cash and cash equivalents, end of year	<u>\$ 193,757</u>	<u>\$ 1,046,378</u>	<u>\$ -</u>	<u>\$ 705,966</u>	<u>\$ 483,919</u>	<u>\$ 2,430,020</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities						
Operating (loss) income	\$ (2,287,926)	\$ 16,934	\$ 10,696	\$ 49,406	\$ 125,622	\$ (2,085,268)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	49,951	180,055	2,008	22,445	74,481	328,940
Amortization expense		48,252				48,252
Change in assets and liabilities:						
(Increase) in intergovernmental receivable			(1,221)			(1,221)
(Increase) in accounts receivable	(2,784)				(11,390)	(14,174)
(Increase) in inventory	(60,313)					(60,313)
(Increase) in other assets		(20,027)	(40,751)			(60,778)
Increase (decrease) in accounts payable	21	93,793			1,062	94,876
Increase (decrease) in unearned revenue	36,926	(19,550)			1,989	19,365
(Decrease) in compensated absences payable	(10,549)					(10,549)
Increase in other liabilities		5,898				5,898
Increase in accrued salaries	2,090		18,343		850	21,283
Net cash (used in) provided by operating activities	<u>\$ (2,272,584)</u>	<u>\$ 305,355</u>	<u>\$ (10,925)</u>	<u>\$ 71,851</u>	<u>\$ 192,614</u>	<u>\$ (1,713,689)</u>

Noncash noncapital financing activities

The District received \$278,549 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2018.

Fiduciary Funds

Toms River Regional School District
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2018

	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 49,576	\$ 5,859,857	\$ 7,557,821
Total assets	<u>49,576</u>	<u>5,859,857</u>	<u>\$ 7,557,821</u>
Liabilities			
Payroll deductions and withholdings payable			\$ 1,726,320
Summer payroll payable			5,049,588
Accounts payable		81,477	
Due to class funds			39,598
Due to student groups			762,315
Total liabilities		<u>81,477</u>	<u>\$ 7,577,821</u>
Net position			
Held in trust for unemployment benefits		<u>\$ 5,778,380</u>	
Held in trust for scholarships	<u>\$ 49,576</u>		

Toms River Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2018

	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust Fund
Additions		
Interest received	\$ 200	\$ 175
Contributions-employees		407,100
Donations	46,076	
Total additions	<u>46,276</u>	<u>407,275</u>
Deductions		
Scholarships awarded	49,400	
Unemployment claims		244,090
Total deductions	<u>49,400</u>	<u>244,090</u>
Change in net position	(3,124)	163,185
Net position-beginning of the year	52,700	5,615,195
Net position-end of the year	<u>\$ 49,576</u>	<u>\$ 5,778,380</u>

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

In accordance with GASB Statement No. 72, funds invested in solar renewable energy certificates associated with the current fiscal period are considered revenue under the full accrual and modified accrual basis of accounting. These investments, however, are not recognized on the budgetary basis of accounting until sold or expected to be sold within 60 days after year end.

The District has reported the following major governmental funds:

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

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

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived primarily from the Energy Savings Improvement Plan ("ESIP") bonds.

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

The District reports the following major proprietary funds:

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

RWJ Barnabas Health Arena Enterprise Fund: The RWJ Barnabas Health Arena (formerly known as the Pine Belt Arena, name change effective December 20, 2017), on the campus of High School North, accounts for all revenues and expenses of the Arena and is run as its own separate entity and the facility is used as the high school gymnasium during school hours but is rented to other parties for various sporting events, trade shows, and concerts during after school hours.

Additionally, the District reports the following fiduciary fund types:

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the County Office of the New Jersey Department of Education for approval. 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 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. Investments are recorded at fair value.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

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, 2018, there was \$47,929 of unused Food Donation Program commodities owned by the District.

G. Capital Assets

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

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>
Land improvements	10-20
Machinery and equipment	5-12
Buildings	50
Building improvements	20-50
Vehicles	5-10

H. Compensated Absences

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences (continued)

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

As of June 30, 2018, a liability existed for compensated absences in the governmental activities financial statements in the amount of \$12,331,580. The liability for vested compensated absences in the proprietary fund types is recorded within those funds as the benefits accrue to employees and is recorded in the amount of \$119,578.

I. Unearned Revenue

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

J. Deferred Outflows / Inflows of Resources

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

K. Deferred Loss on Defeasance of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2018 amounted to \$355,188. As of June 30, 2018, the District has recorded an unamortized balance of \$2,515,899 as a deferred outflow of resources.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

L. Long-Term Obligations

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

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

M. Fund Balances

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances (continued)

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

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

Of the \$18,424,746 of general fund balance at June 30, 2018, \$5,206,098 is restricted in a capital reserve (\$455,910 of the balance is being utilized as part of the 2018-19 budget), \$7,196,820 is restricted in a maintenance reserve (\$2,600,000 of the balance is being utilized as part of the 2018-19 budget), \$709,865 is restricted in an emergency reserve, \$3,003,551 is assigned for year-end encumbrances, \$590,534 has been restricted for excess surplus – current year, \$1,573,524 of prior year excess surplus is restricted and has been designated for subsequent years expenditures, \$226,476 is reported as an assigned fund balance designated for subsequent year's expenditures, \$1,157,955 is reported as additional assigned fund balance designated for subsequent year's expenditures July 1, 2018 to August 1, 2018 resulting from a decrease in state aid after adoption of the 2018-19 district budget, and \$1,763,474 is classified as assigned for other purposes. At June 30, 2018, the District also had restricted debt service fund balance in the amount of \$84,167 and capital projects fund balance of \$16,853,314.

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.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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 for social security and post-retirement pension, medical and long-term disability contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$42,149,888 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. \$1,573,524 of prior year excess fund balance was included in the 2018-19 approved budget. The excess fund balance generated in the 2018 fiscal year is \$590,534, which will be appropriated in the 2019-20 budget.

R. GASB Pronouncements

GASBs Pronouncements Implemented in the 2018 Fiscal Year

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (Statement No. 75). This Statement replaces the requirements of Statement No. 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The District has adopted Statement No. 75 during the year ended June 30, 2018, which resulted in an increase in full accrual revenues and expenses and additional disclosures in the notes to the basic financial statements.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

R. GASB Pronouncements (continued)

In March, 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for periods beginning after June 15, 2017. The District has adopted GASB Statement No. 85 during the year ended June 30, 2018, which did not have a significant impact on the financial statements.

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management has not yet determined the impact of the statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of the statement on the financial statements.

S. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 15, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. On January 22, 2019, the voters of the District approved a bond referendum in the amount not to exceed \$147,148,269 for various school repairs. In addition, see Note 22.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized premiums, long term notes payable, compensated absences, capital leases and deferred pension obligations, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$87,868,333 difference are as follows:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

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

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

Bonds payable	\$ 61,075,000
Other post-employment benefits payable	3,231,183
Unamortized bond premium	2,684,415
Notes payable	914,170
Deferred pension obligations	776,417
Capital leases payable	6,855,568
Compensated absences payable	<u>12,331,580</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 87,868,333</u>

3. Deposits and Investments

Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and Statement No. 72, *Fair Value Measurement and Application*. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value. New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

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

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

3. Deposits and Investments (continued)

Deposits

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

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

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

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

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

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

At June 30, 2018, the carrying amount of the District's deposits for all funds was \$53,095,592 and the bank balance was \$56,175,321. Of the bank balance, \$831,829 of the District's cash deposits on June 30, 2018 were secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered \$28,774,353 of the bank balance. \$19,508,649 of the balance represents capital lease funds held by fiscal agent that is not covered by GUDPA. \$7,059,470 held in the District agency accounts are not covered by GUDPA.

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

3. Deposits and Investments (continued)

Deposits (continued)

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

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

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

Investments

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

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

As of June 30, 2018, the District's investment balance of \$100,216 was in Solar Renewable Energy Certificates (SRECs). 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, 2018:

- SRECs in the amount of \$100,216 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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

3. Deposits and Investments (continued)

New Jersey Cash Management Fund (continued)

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, 2018, the District's balance was \$181,455 and is classified as cash equivalents due to its short-term nature and is considered a Level 1 investment under GASB Statement No. 72. The debt instruments in the NJCMF are rated by three national rating agencies.

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

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

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

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, 2018, all of the District's investments were invested in NJCMF, except for the SRECs.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2018:

	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	22,022,201	\$ 64,070			22,086,271
Buildings and building improvements	324,891,258	1,382,574			326,273,832
Machinery, equipment and vehicles	22,250,885	2,801,519	\$ (1,470,258)	\$ (2,500)	23,579,646
Total capital assets being depreciated	369,164,344	4,248,163	(1,470,258)	(2,500)	371,939,749
Less accumulated depreciation for:					
Land improvements	16,086,060	1,017,696			17,103,756
Buildings and building improvements	185,422,984	5,838,853			191,261,837
Machinery, equipment and vehicles	17,385,426	895,538	(1,454,303)	(750)	16,825,911
Total accumulated depreciation	218,894,470	7,752,087	(1,454,303)	(750)	225,191,504
Total capital assets, being depreciated, net	150,269,874	(3,503,924)	(15,955)	(1,750)	146,748,245
Total Governmental activities capital assets, net	\$155,638,797	\$(3,503,924)	\$ (15,955)	\$ (1,750)	\$152,117,168

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

Instruction	\$4,783,356
Attendance/social work	7,694
Health services	151,447
Guidance services	175,118
Other support services	586,146
Improvement of instruction	119,782
School library	80,084
Instructional staff training	8,952
General administration	146,143
School administration	357,669
Central services	102,828
Administrative IT	69,01
Required maintenance	157,766
Operation of plant	545,759
Security	48,597
Student transportation	586,845
Total depreciation expense – governmental activities	\$7,752,087

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2018

4. Capital Assets (continued)

The following is a summary of business-type changes in capital assets for the year ended June 30, 2018:

	<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	486,161	\$ 189,855			676,016
Buildings and building improvements	10,378,076	257,384			10,635,460
Machinery and equipment	2,524,661	66,962	\$ (4,100)	\$ 2,500	2,590,023
Total capital assets being depreciated	13,388,898	514,201	(4,100)	2,500	13,901,499
Less accumulated depreciation for:					
Land improvements	368,308	26,207			394,515
Buildings and building improvements	3,505,494	238,260			3,743,754
Machinery and equipment	2,125,818	64,473	(3,417)		2,186,874
Total accumulated depreciation	5,999,620	328,940	(683)		6,325,143
Total capital assets, being depreciated, net	7,389,278	185,621	(683)	2,500	7,576,356
Total business-type activities capital assets, net	\$ 8,810,878	\$ 185,261	\$ (683)	\$ 2,500	\$ 8,997,956

5. Long-Term Liabilities

During the year ended June 30, 2018, the following changes occurred in governmental activities long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Compensated absences payable	\$ 12,739,096	\$ 960,552	\$ (1,368,068)	\$12,331,580	\$ 288,775
Bonds payable	49,080,000	16,710,000	(4,715,000)	61,075,000	4,840,000
Notes payable	1,097,004		(182,834)	914,170	182,834
Premium on bonds	1,554,395	1,301,563	(171,543)	2,684,415	204,082
Deferred pension obligations	842,878		(66,461)	776,417	72,166
OPEB	3,718,675		(487,492)	3,231,183	
Capital leases payable	6,639,890	2,130,000	(1,914,322)	6,855,568	2,188,105
Subtotal	75,671,938	21,102,115	(8,905,720)	87,868,333	7,775,962
Net pension liability	120,038,158		(29,682,972)	90,355,186	
Total governmental activities long-term liabilities	\$ 195,710,096	\$ 21,102,115	\$(38,588,692)	\$ 178,223,519	\$ 7,775,962

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

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

During the year ended June 30, 2018, the District entered into a capital lease in the amount of \$2,130,000 with TD Equipment Finance, Inc. for the purpose of purchasing school buses and the acquisition and installation of IT equipment. The funds have been deposited into an interest earning escrow account and have not been expended as of June 30, 2018.

During the year ended June 30, 2018, the District expended \$2,845,573 of prior year unexpended capital lease proceeds.

During the year ended June 30, 2018, the following changes occurred in business-type long-term liabilities attributable to the food service enterprise fund:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities: Compensated absences payable	\$ 130,128	\$5,691	\$ 16,241	\$ 119,578	\$ 31,411

Bonds Payable

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

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

	Principal	Interest	Total
Year ending June 30:			
2019	\$ 5,660,000	\$ 2,453,316	\$ 8,113,316
2020	5,875,000	1,944,666	7,819,666
2021	5,125,000	1,761,798	6,886,798
2022	5,785,000	1,558,165	7,343,165
2023	6,015,000	1,352,106	7,367,106
2024-2028	19,390,000	3,599,694	22,989,694
2029	13,225,000	3,102,297	16,327,297
	\$ 61,075,000	\$ 15,772,042	\$ 76,847,042

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

Bonds Payable (continued)

Bonds payable at June 30, 2018 are comprised of the following issues:

\$15,790,000, 2009 refunding bonds, due in annual installments ranging from \$1,275,000 to \$1,485,000 through July 15, 2022 at interest rates ranging from 3.50% to 4.00%. The final payment on the defeased bonds was made on July 15, 2014.

\$17,635,000, 2012 school refunding bonds, due in annual installments ranging from \$1,125,000 to \$1,710,000 through July 15, 2028 at an interest rate of 4.00%. As of June 30, 2018, the amount of defeased bonds outstanding is \$15,789,000.

\$20,365,000, 2013 school refunding bonds, due in annual installments ranging from \$950,000 to \$4,630,000 through July 15, 2024 at interest rates ranging from 1.67% to 3.12%. As of June 30, 2018, the amount of defeased bonds outstanding is \$16,610,000.

\$6,055,000, 2016 school refunding bonds, due in annual installments ranging from \$1,490,000 to \$1,550,000 through January 15, 2021 at an interest rate of 1.40%. As of June 30, 2018, the amount of defeased bonds outstanding is \$4,520,000.

On December 20, 2017, the District issued School Energy Savings Obligation Refunding Bonds in the amount of \$16,710,000 to finance energy conservation measures pursuant to an Energy Savings Improvement Plan ("ESIP") at interest rates ranging from 3.125% to 5.00%, due in annual installments ranging from \$385,000 to \$1,410,000 through December 15, 2038.

Notes Payable-CREBS

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

Year ending June 30:	Principal	Interest	Total
2019	\$ 182,834	\$ 9,461	\$ 192,295
2020	182,834	7,359	190,193
2021	182,834	5,256	188,090
2022	182,834	3,154	185,988
2023	182,834	1,051	183,885
	<u>\$ 914,170</u>	<u>\$ 26,281</u>	<u>\$ 940,451</u>

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

Deferred Pension Obligation

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

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 72,166	\$ 64,768	\$ 136,934
2020	78,360	58,574	136,934
2021	85,086	51,848	136,934
2022	92,390	44,544	136,934
2023	100,320	36,614	136,934
2024-2026	348,095	55,257	403,352
	<u>\$ 776,417</u>	<u>\$ 311,605</u>	<u>\$ 1,088,022</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, 2018:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,188,105	\$ 123,403	\$ 2,311,508
2020	1,790,700	67,690	1,858,390
2021	1,468,000	57,023	1,525,023
2022	959,002	29,295	988,297
2023	449,761	6,825	456,586
	<u>\$ 6,855,568</u>	<u>\$ 284,236</u>	<u>\$ 7,139,804</u>

Assets capitalized through capital leases at June 30, 2018 are as follows:

Machinery and equipment	\$ 3,617,530
Less accumulated depreciation	<u>(237,957)</u>
Total	<u>\$3,379,573</u>

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

Operating Leases

The District leases copier equipment. The lease expense amounted to \$34,394 for fiscal year 2018. The future minimum rental payments under the operating lease agreements total \$39,993 agreement over the remaining life of the lease:

<u>Year ending June 30:</u>	
2019	\$24,834
2020	12,477
2021	<u>2,682</u>
	<u>\$ 39,993</u>

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, 2018

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 through July 2018 that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

6. Pension Plans (continued)

During the year ended June 30, 2018, the State of New Jersey contributed \$22,493,020 to the TPAF for on-behalf medical benefits, long-term disability insurance 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 \$6,765,533 during the year ended June 30, 2018 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, 2018, 2017, and 2016 were \$3,595,798, \$3,600,625, and \$3,477,959 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, 2018, the District reported a liability of \$90,355,186 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.3881503012 percent, which was a decrease of 0.0171494387 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized full accrual pension expense of \$5,888,051 in the government-wide financial statements. At June 30, 2018, 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, 2018

6. Pension Plans (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,127,553	
Changes of assumptions	18,203,456	\$ 18,136,719
Net difference between projected and actual earnings on pension plan investments	615,258	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,192,451	4,207,244
District contributions subsequent to the measurement date	3,719,306	
	\$ 25,858,024	\$ 22,343,963

\$3,719,306 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:	
2019	\$ 1,550,846
2020	2,714,346
2021	1,232,762
2022	(3,396,589)
2023	(2,306,610)
	\$ (205,245)

Actuarial Assumptions

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

6. Pension Plans (continued)

Inflation rate	2.25%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2017) 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, 2017 are summarized in the following table:

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

6. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts / venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017 and 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

6. Pension Plans (continued)

net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

At 1% Decrease (4.00%)	At Current Discount Rate (5.00%)	At 1% Increase (6.00%)
\$ 112,091,740	\$ 90,355,186	\$ 72,245,942

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$	6,424,455,842
Deferred inflows of resources	\$	5,700,625,981
Net pension liability	\$	23,278,401,588
 District's Proportion		 0.3881503012%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,694,305,613.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2017, 2016, 2015 and 2014 is 5.48, 5.57, 5.72, and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

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.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

6. Pension Plans (continued)

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2017 was \$608,443,545. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the State's proportionate share of the TPAF net pension liability associated with the District was 0.9024191711 percent, which was an increase of .0053014428 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$42,149,888 for contributions incurred by the State.

Actuarial assumptions

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

Inflation rate	2.25%
Salary increases: 2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Divisions of Pensions and Benefits, the board of trustees and the actuaries. The long-term

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

6. Pension Plans (continued)

expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017 and 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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, 2018

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, 2017 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 (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	At 1% Decrease (3.25%)	At Current Discount Rate (4.25%)	At 1% Increase (5.25%)
State's proportionate share of the net pension liability associated with the District	\$ 722,850,017	\$ 608,443,545	\$ 514,194,996

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, 2017 are as follows:

Deferred outflows of resources	\$ 14,251,854,934
Deferred inflows of resources	\$ 11,807,238,433
Net pension liability	\$ 67,423,605,859
State's proportionate share associated with the District	0.9024191711%

Collective pension expense for the plan for the measurement period ended June 30, 2017 is \$4,682,493,081.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2017, 2016, 2015 and 2014 is 8.3, 8.3, 8.3, and 8.5 years, respectively.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits

State Plan

Plan description and benefits provided

The School District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP 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, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. 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 SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

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, 2018, 2017 and 2016 were \$8,819,992, \$8,457,625 and \$8,552,579 respectively, which equaled the required contributions for each year.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the 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, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. 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. As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 (GASB 75) and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

State Plan (continued)

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Total OPEB Liability

The net OPEB liability from New Jersey's plan is \$53,639,841,858.

Changes in the District's Total OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2017:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2016	\$ 713,403,660
Changes for the year:	
Service cost	23,853,635
Interest cost	20,804,270
Changes of assumptions	(85,869,098)
Member contributions	560,794
Gross benefit payments	(15,229,642)
Net changes	(55,880,041)
Ending Total OPEB Liability, June 30, 2017	\$ 657,523,619

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2017</u>
Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>366,078</u>

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

State Plan (continued)

June 30, 2017 was \$657,523,619. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increase through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actual experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Rates

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality table for males or females, as appropriate, with adjustments for mortality improvements based on MP- 2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

State Plan (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	At 1% decrease (2.58%)	At current discount rate (3.58%)	At 1% increase (4.58%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 780,527,855	\$ 657,523,519	\$ 559,955,311

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 540,749,532	\$ 657,523,519	\$ 812,598,000

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

State Plan (continued)

OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$35,164,015 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$	99,843,255
Deferred inflows of resources	\$	6,443,612,287
Collective OPEB Expense	\$	3,348,490,523
District's Proportion		1.23%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

Toms River Regional Schools Post-Retirement Health Plan

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. The plan is closed to new entrants.

Employees covered by benefit terms

At June 30, 2018, there are eighteen inactive employees currently receiving benefits under the plan. There are no active employees or inactive employees entitled to but not yet receiving benefits.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

Toms River Regional Schools Post-retirement Health Plan (continued)

Total OPEB Liability

The net OPEB liability from District's plan is \$3,231,183.

Actuarial assumptions and other inputs

The total OPEB liability of \$3,231,183 was reported in the June 30, 2018 actuarial valuation prepared by the District's actuary, Mernard Consulting, Inc., which was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.98%
Healthcare cost trend rates – Medical	3.60%
Healthcare cost trend rates – Pharmacy	7.50%
Healthcare cost trend rates – Standard Dental	4.10%
Healthcare cost trend rates – Vision	2.10%

The discount rate utilized during the June 30, 2018 measurement period was 2.98%.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 29, 2018.

Changes in the total OPEB liability reported by the Menard Consulting, Inc.:

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 3,718,675
Changes for the year:	
Interest	112,332
Effect of economic/demographic gains or losses	(276,178)
Employer contributions	(259,611)
Changes in assumptions or other	(64,035)
Net changes	\$ (487,492)
Balance at June 30, 2018	\$ 3,231,183

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% in 2017 to 2.98% in 2018.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

Toms River Regional Schools Post-retirement Health Plan (continued)

For the year ended June 30, 2018, the District recognized negative OPEB expense of \$227,881.

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the District for school board retirees, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage -point lower (1.98%) or 1-percentage-point higher (3.98%) than the current discount rate:

	At 1% Decrease (1.98%)	At Current Discount Rate (2.98%)	At 1% Increase (3.98%)
Net OPEB liability	\$ 3,502,718	\$ 3,231,183	\$ 2,995,351

Sensitivity of the total OPEB liability to changes in the healthcare trend rates.

The following presents the total OPEB liability of the District for school board retirees, as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage -point lower (2.60%) or 1-percentage-point higher (4.60%) than the current discount rate:

	At 1% Decrease (2.60%)	At Current Healthcare Trend Rate (3.60%)	At 1% Increase (4.60%)
Net OPEB liability	\$ 2,997,245	\$ 3,231,183	\$ 3,494,692

8. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of June 30, 2018:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 124,180	
Special Revenue Fund		\$ 8,693
Capital Projects Fund		79,457
Day Care Center Enterprise Fund		36,030
	\$ 124,180	\$ 124,180

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

8. Interfund Receivables and Payables (continued)

The general fund interfund receivable is due from the special revenue fund in the amount of \$8,693 and \$36,030 from the day care center enterprise fund, both for a transfer during 2017-2018 to cover a cash deficit that is due back to the general fund. The general fund interfund receivable from the capital projects fund represents the interest earned in the capital projects fund to offset the cost of debt.

All interfunds are expected to be repaid within one year.

9. Transfers – Reconciliation

The following presents a reconciliation of transfers made during the 2018 fiscal year:

	Transfers In	Transfers Out
General Fund	\$ 191,737	\$ 455,910
Special Revenue Fund		4,000
Capital Projects Fund		79,457
Debt Service Fund	455,910	
Food Service Enterprise Fund	4,000	
Bennett Complex Enterprise Fund		20,972
RWJ Barnabas Health Arena Enterprise Fund		91,308
	\$ 651,647	\$ 651,647

The transfer between the general fund and the debt service fund represents the transfer of funds from the capital reserve account to fund debt service expenditures. The transfer from the RWJ Barnabas Health Arena Enterprise Fund to the General Fund of \$91,308 and the transfer from the Bennett Complex Enterprise Fund to the general fund of \$20,972 represent a return on investment transferred to the General Fund. The transfer from the Special Revenue Fund to the Food Service Enterprise Fund represents the transfer of assets purchased with grant funding in the Special Revenue Fund which will be utilized and carried as a capital asset in the Food Service Enterprise Fund. The transfer from the Capital Projects Fund to the General Fund represents the transfer of interest earned in the Capital Projects Fund to offset the cost of debt.

10. Economic Dependency

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

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2018

11. Risk Management

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

During the 2018 fiscal year, the District was covered by commercial insurance, as well as being self-insured for workers' compensation (\$650,000 deductible/limit per occurrence), general and auto liability (\$300,000 deductible/limit per occurrence) and student accident (\$25,000 deductible/limit per occurrence).

Health Insurance-Self Insured

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

This activity is reported in the government-wide financial statements and includes an accrual for health insurance claims incurred but not reported in the amount of \$5,982,000 at June 30, 2018. 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 2018, 2017 and 2016 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2017-18	\$5,760,000	\$46,172,368	\$45,950,368	\$ 5,982,000
2016-17	5,542,952	43,901,718	43,684,670	5,760,000
2015-16	5,702,456	47,103,425	47,262,929	5,542,952

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

The District is self-insured for amounts limited to between \$25,000 and \$650,000 per occurrence, depending upon the type and year the liability was incurred for certain types of claims and any excess is covered by

Toms River Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2018

11. Risk Management (continued)

excess insurance coverage. The liability below 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.

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 2018, 2017 and 2016 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2017-18	\$7,988,253	\$5,130,927	\$3,860,238	\$9,258,942
2016-17	7,561,879	2,668,518	2,242,144	7,988,253
2015-16	6,363,322	3,552,388	2,353,831	7,561,879

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

New Jersey Unemployment Compensation Insurance

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

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

Fiscal Year	Interest on Investments	Contributions	Amount Paid	Ending Balance
2017-18	\$ 175	\$ 407,100	\$ 244,090	\$ 5,778,380
2016-17	73	397,310	309,752	5,615,195
2015-16	32	379,841	319,268	5,527,564

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

12. 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	

13. Restricted Assets

The District has restricted certain assets to offset the capital reserve, maintenance reserve and emergency reserve fund balances in the general fund in the amount of \$5,206,098, \$7,196,820 and \$709,865, respectively. The District also has restricted cash held with fiscal agent in the general fund in the amount of \$2,283,408, which represents proceeds not yet expended from capital leases entered into through June 30, 2018 and \$17,224,814 in the capital projects fund which represents funds not yet expended on the Energy Savings Improvement Plan.

14. 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, 2018

14. Capital Reserve Account (continued)

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, June 30, 2017		\$	5,874,517
Budget withdrawal			(755,910)
Interest earnings			10,500
Deposits:			
Unused capital outlay funds			103,991
Ending balance, June 30, 2018		\$	5,206,098

The June 30, 2018 balance in the capital reserve account did not exceed the local support costs of uncompleted capital projects. The District has budgeted \$430,000 of the June 30, 2018 capital reserve balance in its 2018-19 fiscal year budget.

15. 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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, June 30, 2017		\$	6,687,720
Budget withdrawal			(2,000,000)
Interest earnings			9,100
Deposits:			
Approved by June 2018 resolution			2,500,000
Ending balance, June 30, 2018		\$	7,196,820

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, 2018. The District has budgeted \$2,600,000 of the June 30, 2018 maintenance reserve balance in its 2018-19 fiscal year budget as a result of the reduction of state aid subsequent to the 2018-19 budget adoption.

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

16. 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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, June 30, 2017	\$ 707,415
Interest earnings	<u>2,450</u>
Ending balance, June 30, 2018	<u>\$ 709,865</u>

17. 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, 2018 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 \$1,343,198 has been recorded in the governmental funds to address any litigation matters that pertain to fiscal year ended June 30, 2018.

18. Commitments

The District has contractual commitments at June 30, 2018 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$3,003,551 and is included in the

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

18. Commitments (continued)

assigned – other purposes fund balance of \$1,763,474 and \$3,701,558 in the capital projects fund included in restricted fund balance of \$16,853,314.

19. Deferred Pension Obligation

In 2009, the State of New Jersey permitted School Districts to defer up to 50% of their contributions due in 2009. The District elected this option, resulting in a deferral of \$1,144,755, which has been reported in the District's long-term liabilities section. The balance as of June 30, 2018 is \$776,417.

20. Extraordinary Item

The former superintendent for the District was ordered to pay \$4,336,988 in restitution to the School District. The District has received \$4,142,988 of these funds through June 30, 2018, which includes \$7,616 received during the fiscal year ended June 30, 2018. The \$7,616 received in the fiscal year ended June 30, 2018 has been recorded as an extraordinary item. Applicable authorities and District attorneys' are vigorously pursuing the remaining funds owed to the District. The remaining balance has not been recorded in the financial statements and will not be recorded until the funds are released and received by the District.

21. Tax Abatements

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

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

Toms River Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

21. Tax Abatements (continued)

The Township of Toms River recognized revenue of \$323,078 from the annual service charge in lieu of payment of taxes in 2017 and taxes in 2017 that otherwise would have been due on these long-term tax exemptions amounted to \$892,086, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$569,008 abatement would have been allocated to the District.

The Borough of Pine Beach, Township of Beachwood and Borough of South Toms River did not provide any long term tax exemptions in 2017.

22. Subsequent Events

On July 13, 2018, the New Jersey State budget was signed, which included revised state aid for school districts. Most districts in the State received an increase in state aid, however, certain districts received a decrease. Toms River Regional School District's revised aid allocation resulted in a decrease in State aid of \$2,357,955. The District filed an application to the State of New Jersey Department of Education have the reduction in aid reversed. In November 2018, the District's application for restoration of aid was denied. As a result, the District revised the 2018-19 budget to utilize \$1,157,955 of unassigned fund balance and \$1,200,000 of additional maintenance reserve funds.

23. Change in Accounting Principle

Effective in the fiscal year ended June 30, 2018, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this Statement required a restatement of prior year net position in the government-wide financial statements.

	Governmental Activities
Beginning Net Position - June 30, 2017	\$ 4,351,746
Adjustments:	
District OPEB Adjustment for GASB Statement No. 75	(4,170,081)
Beginning Net Position - June 30, 2017, as restated	\$ 181,665

Required Supplementary Information
Part II

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	N/A	0.4019779833%	0.4171099175%	0.4045399954%	0.4052997399%	0.3881503012%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A	\$ 76,825,980	\$ 78,094,385	\$ 90,811,122	\$ 120,038,158	\$ 90,355,186
District's covered payroll	\$ 26,886,579	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,783,291	\$ 28,464,560	\$ 27,539,772	\$ 27,569,910	\$ 26,829,471	\$ 26,060,161
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	269.90%	283.57%	329.38%	447.41%	346.72%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	N/A	48.72%	52.08%	47.93%	40.14%	48.10%

N/A - Information not available

See Note to Required Supplementary Information

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

Last Ten Fiscal Years

	Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution	\$ 2,154,276	\$ 2,476,460	\$ 3,193,445	\$ 3,375,594	\$ 3,193,343	\$ 3,438,594	\$ 3,477,939	\$ 3,600,625	\$ 3,595,798	\$ 3,719,306
Contributions in relation to the contractually required contribution	(2,154,276)	(2,476,460)	(3,193,445)	(3,375,594)	(3,193,343)	(3,438,594)	(3,477,939)	(3,600,625)	(3,595,798)	(3,719,306)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,783,291	\$ 28,464,560	\$ 27,539,772	\$ 27,569,910	\$ 26,829,471	\$ 26,060,161	\$ 25,881,978
Contributions as a percentage of covered payroll	7.63%	8.34%	11.35%	12.15%	11.22%	12.49%	12.62%	13.42%	13.80%	14.37%

See Note to Required Supplementary Information

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

Last Ten Fiscal Years*

	Year Ended June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.8861361810%	0.8856836534%	0.8971177283%	0.9024191711%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 473,610,948	\$ 559,789,890	\$ 705,729,925	\$ 608,443,545
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 473,610,948</u>	<u>\$ 559,789,890</u>	<u>\$ 705,729,925</u>	<u>\$ 608,443,545</u>
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%

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
 Required Supplementary Information
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated With the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employee's Retirement System and Teachers' Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>Year Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
State's proportion of the net OPEB liability (asset) associated with the District	1.23%	1.23%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 657,523,619	\$ 713,403,660
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 657,523,619</u>	<u>\$ 713,403,660</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
	<u>2018</u>	<u>2017**</u>
Total OPEB Liability		
Changes for the year:		
Service cost	\$ 23,853,635	
Interest cost	20,804,270	
Changes of assumptions	(85,869,098)	
Member contributions	560,794	
Gross benefit payments	(15,229,642)	
Net change in total OPEB liability	<u>(55,880,041)</u>	
Total OPEB liability - beginning	<u>713,403,660</u>	
Total OPEB liability - ending	<u>\$ 657,523,619</u>	
Covered-employee payroll	<u>\$ 82,505,263</u>	
Total OPEB liability as a percentage of covered-employee payroll	<u>796.95%</u>	

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

* 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.

** information not available.

See Note to Required Supplementary Information

**Toms River Regional School District
Required Supplementary Information
Schedule of the Changes in Net OPEB Liability
District Plan**

Last Ten Fiscal Years*

	2018
Balance, Beginning of Year	\$ <u>3,718,675</u>
Changes for the year:	
Service Cost	-
Interest	112,332
Effect of economic/demographic gains or losses	(276,178)
Employer contributions	(259,611)
Changes in assumptions or other inputs	(64,035)
Net changes	<u>(487,492)</u>
Balance, End of Year	\$ <u><u>3,231,183</u></u>
Total OPEB Liability	\$ 3,231,183
OPEB plan's fiduciary net position	\$ -
Net OPEB Liability	\$ 3,231,183
Plan fiduciary net position as a percentage of the total OPEB liability -	0.00%
Covered employee payroll	\$ -
Net OPEB liability as a percentage of covered employee payroll	0.00%

* 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.

See Note to Required Supplementary Information

Toms River Regional School District
 Required Supplementary Information
 Schedule of District OPEB Contributions
 District Plan

Last Ten Fiscal Years

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution	N/A	N/A	N/A	N/A	N/A	\$ 230,484	\$ 272,410	\$ 288,869	\$ 323,510	\$ 259,611
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A	(230,484)	(272,410)	(288,869)	(323,510)	(259,611)
Contribution deficiency (excess)						\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* 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.

N/A - information prior to July 1, 2013 was not available.

See Note to Required Supplementary Information

Toms River Regional School District
Notes to Required Supplementary Information
Year ended June 30, 2018

PUBLIC EMPLOYEES' RETIREMENT SYSTEM - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017.

TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017.

OTHER POST EMPLOYMENT BENEFITS

A. State of New Jersey Post-Employment Retirement Plan

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.13% as of June 30, 2016 to 2.98% as of June 30, 2017.

B. Toms River School District Post-Employment Retirement Plan

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.00% as of June 30, 2017 to 2.92% as of June 30, 2018.

Required Supplementary Information
Part III
Budgetary Comparison Schedules

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 151,916,715		\$ 151,916,715	\$ 151,916,716	\$ 1
Tuition from Individuals	66,754		66,754	90,316	23,562
Tuition from other LEAs within the State	427,330		427,330	1,054,986	627,656
Tuition from other sources				97,244	97,244
Transportation fees from other LEAs within the State	40,000		40,000	159,199	119,199
Rents and Royalties	110,000		110,000	119,921	9,921
Interest Earned on Investments				60,411	60,411
Solar Credits	460,000		460,000	313,681	(146,319)
Miscellaneous	412,280		412,280	1,041,300	629,020
Interest Earned on Current Expense Emergency Reserve	2,450		2,450	2,450	
Interest Earned on Maintenance Reserve	9,100		9,100	9,100	
Interest Earned on Capital Reserve Funds	10,500		10,500	10,500	
Total - Local Sources	153,455,129		153,455,129	154,875,824	1,420,695
State Sources:					
Educational Adequacy Aid	433,801		433,801	433,801	
Equalization Aid	39,941,537		39,941,537	39,941,537	
Categorical Special Education Aid	9,263,660		9,263,660	9,263,660	
Transportation Aid	4,600,705		4,600,705	4,600,705	
Security Aid	1,848,137		1,848,137	1,848,137	
Adjustment Aid	11,788,519	\$ (1,366,845)	10,421,674	10,421,674	
PARCC Readiness Aid	155,830		155,830	155,830	
Per Pupil Growth Aid	155,830		155,830	155,830	
Professional Learning Community Aid	154,220		154,220	154,220	
Emergency Aid		1,366,845	1,366,845	1,366,845	
Additional Non-Public Transportation Aid				107,300	107,300
State Reimbursed Lead Testing				24,317	24,317
Extraordinary Aid	750,000		750,000	1,475,963	725,963
TPAF Pension (On-Behalf - Non-Budgeted)				13,655,802	13,655,802
TPAF Post-retirement Medical (On-Behalf-Non-Budgeted)				8,819,992	8,819,992
TPAF Non-contributory Insurance (On-Behalf- Non Budgeted)				17,226	17,226
TPAF Social Security (Reimbursed - Non-Budgeted)				6,765,533	6,765,533
Total State Sources	69,092,239	-	69,092,239	99,208,372	30,116,133
Federal Sources:					
Medicaid Assistance Program	261,905		261,905	309,882	47,977
Total - Federal Sources	261,905	-	261,905	309,882	47,977
Total Revenues	222,809,273	-	222,809,273	254,394,078	31,584,805
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	3,400,693	(183,700)	3,216,993	3,204,847	12,146
Grades 1-5 - Salaries of Teachers	22,636,609	(1,075,147)	21,561,462	21,509,506	51,956
Grades 6-8 - Salaries of Teachers	15,011,849	93,851	15,105,700	15,091,051	14,649
Grades 9-12 - Salaries of Teachers	21,647,768	(892,671)	20,755,097	20,727,339	27,758
Regular Programs - Home Instruction					
Salaries of Teachers	130,000	85,408	215,408	215,007	401
Purchased Professional-Educational Services	95,000	(11,253)	83,747	79,507	4,240
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	96,070	1,404	97,474	96,034	1,440
Purchased Professional-Educational Services	1,999,000	528,086	2,527,086	2,521,887	5,199
Purchased Technical Services	325,575	(29,998)	295,577	266,243	29,334
Other Purchased Services	2,365,400	148,129	2,513,529	2,342,335	171,194
General Supplies	1,489,400	300,622	1,790,022	1,451,411	338,611
Textbooks	1,219,500	(741,508)	477,992	382,843	95,149
Other Objects	154,000	199,628	353,628	335,191	18,437
TOTAL REGULAR PROGRAMS - INSTRUCTION	70,570,864	(1,577,149)	68,993,715	68,223,201	770,514

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers	\$ 421,577	\$ (56,560)	\$ 365,017	\$ 360,467	\$ 4,550
Other Salaries for Instruction	400,870	(34,825)	366,045	358,746	7,299
Purchased Professional-Educational Services	90,000	46,659	136,659	136,034	625
General Supplies	8,500	1,950	10,450	10,345	105
Textbooks		140	140	139	1
Total Cognitive - Mild	920,947	(42,636)	878,311	865,731	12,580
Cognitive - Moderate:					
Salaries of Teachers	137,022	(56,972)	80,050	74,102	5,948
Other Salaries for Instruction	40,317	3,000	43,317	38,947	4,370
Purchased Professional-Educational Services	45,000	(25,866)	19,134	18,814	320
General Supplies	3,200	6,083	9,283	9,003	280
Textbooks	500	(430)	70	68	2
Total Cognitive - Moderate	226,039	(74,185)	151,854	140,934	10,920
Learning and/or Language Disabilities					
Salaries of Teachers	2,522,834	26,720	2,549,554	2,542,901	6,653
Other Salaries for Instruction	1,422,032	(149,292)	1,272,740	1,251,838	20,902
Purchased Professional-Educational Services	420,000	153,755	573,755	530,381	43,374
General Supplies	54,100	(26,360)	27,740	26,653	1,087
Textbooks		356	356	355	1
Total Learning and/or Language Disabilities	4,418,966	5,179	4,424,145	4,352,128	72,017
Auditorily Impairments					
Salaries of Teachers	149,708	49,085	198,793	197,629	1,164
Other Salaries for Instruction	14,560	9,820	24,380	23,843	537
Purchased Professional-Educational Services	92,300	(53,118)	39,182	32,320	6,862
General Supplies	6,800	6,048	12,848	12,818	30
Textbooks	500	(166)	334	333	1
Total Auditorily Impairments	263,868	11,669	275,537	266,943	8,594
Behavioral Disabilities					
Salaries of Teachers	496,017	(74,995)	421,022	412,287	8,735
Other Salaries for Instruction	146,443	43,780	190,223	187,067	3,156
Purchased Professional-Educational Services	102,600	17,532	120,132	99,623	20,509
General Supplies	8,000	6,710	14,710	13,223	1,487
Textbooks	1,600	(1,600)			
Total Behavioral Disabilities	754,660	(8,573)	746,087	712,200	33,887
Multiple Disabilities					
Salaries of Teachers	289,339	(34,138)	255,201	252,853	2,348
Other Salaries for Instruction	359,244	25,682	384,926	374,578	10,348
Purchased Professional-Educational Services	85,000	60,138	145,138	143,990	1,148
General Supplies	12,900	4,185	17,085	16,586	499
Other Objects	500		500	500	
Total Multiple Disabilities	746,983	55,867	802,850	788,507	14,343
Resource Room/Resource Center					
Salaries of Teachers	7,093,833	62,800	7,156,633	7,148,077	8,556
Other Salaries for Instruction	25,317	3,000	28,317	27,900	417
Purchased Professional-Educational Services	240,000	(38,000)	202,000	199,747	2,253
General Supplies	38,000	(15,693)	22,307	22,306	1
Textbooks	3,000	1,565	4,565	4,489	76
Total Resource Room/Resource Center	7,400,150	13,672	7,413,822	7,402,519	11,303
Autism					
Salaries of Teachers	1,561,398	(206,173)	1,355,225	1,349,287	5,938
Other Salaries for Instruction	1,637,956	(155,443)	1,482,513	1,459,131	23,382
Purchased Professional-Educational Services	774,000	164,056	938,056	884,829	53,227
General Supplies	58,700	(15,589)	43,111	39,355	3,756
Textbooks	500	(193)	307	307	
Other Objects		5,167	5,167	5,095	72
Total Autism	4,032,554	(208,175)	3,824,379	3,738,004	86,375

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 770,784	\$ 18,132	\$ 788,916	\$ 787,240	\$ 1,676
Other Salaries for Instruction	600,320	(125,620)	474,700	467,036	7,664
Purchased Professional-Educational Services	120,000	72,593	192,593	185,236	7,357
Other Purchased Services	5,000		5,000	4,075	925
General Supplies	14,000	1,211	15,211	13,905	1,306
Total Preschool Disabilities - Part-Time	1,510,104	(33,684)	1,476,420	1,457,492	18,928
Preschool Disabilities - Full-Time					
Salaries of Teachers	442,384	(15,524)	426,860	424,652	2,208
Other Salaries for Instruction	125,082	(16,000)	109,082	108,246	836
Purchased Professional-Educational Services	45,000	18,493	63,493	56,264	7,229
General Supplies	2,200	(2,200)			
Total Preschool Disabilities - Full-Time	614,666	(15,231)	599,435	589,162	10,273
Home Instruction					
Salaries of Teachers	130,000	61,507	191,507	191,506	1
Purchased Professional-Educational Services	145,000	(98,984)	46,016	35,465	10,551
Total Home Instruction	275,000	(37,477)	237,523	226,971	10,552
TOTAL SPECIAL EDUCATION - INSTRUCTION	21,163,937	(333,574)	20,830,363	20,540,591	289,772
Basic Skills/Remedial - Instruction					
Salaries of Teachers	847,424	(30,800)	816,624	772,342	44,282
Other Purchased Services	500		500		500
General Supplies	8,200		8,200		8,200
Textbooks	1,500		1,500		1,500
Total Basic Skills/Remedial - Instruction	857,624	(30,800)	826,824	772,342	54,482
Bilingual Education - Instruction					
Salaries of Teachers	563,832	13,000	576,832	572,559	4,273
Other Purchased Services	3,200		3,200	127	3,073
General Supplies	5,000		5,000		5,000
Other Objects	2,500		2,500		2,500
Total Bilingual Education - Instruction	574,532	13,000	587,532	572,686	14,846
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	637,000	(2,968)	634,032	632,775	1,257
Purchased Services	53,000	13,239	66,239	50,518	15,721
Supplies and Materials	97,200	42,315	139,515	32,255	107,260
Other Objects	20,000	32,251	52,251	45,677	6,574
Total School-Spon. Cocurricular Actvts. - Inst.	807,200	84,837	892,037	761,225	130,812
School-Spon. Athletics					
Salaries	2,572,927	(3,318)	2,569,609	2,398,342	171,267
Purchased Services	361,750	48,408	410,158	360,713	49,445
Supplies and Materials	233,500	(27,744)	205,756	145,651	60,105
Other Objects	130,500	(23,457)	107,043	105,494	1,549
Total School-Spon. Athletics	3,298,677	(6,111)	3,292,566	3,010,200	282,366
Community Services Programs/Operations					
Salaries	25,827	1,700	27,527	26,993	534
Purchased Services	2,250		2,250		2,250
Supplies and Materials	4,200	(1,500)	2,700	528	2,172
Other Objects	1,000		1,000	100	900
Total Community Services Programs/Operations	33,277	200	33,477	27,621	5,856
TOTAL INSTRUCTION	97,306,111	(1,849,597)	95,456,514	93,907,866	1,548,648

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	\$ 150,000	\$ 144,404	\$ 294,404	\$ 230,162	\$ 64,242
Tuition to Other LEAs Within the State - Special	169,624	158,296	327,920	236,912	91,008
Tuition to County Voc. School Dist. - Regular	350,000	10,465	360,465	319,667	40,798
Tuition to CSSD & Regional Day Schools	1,273,127	146,084	1,419,211	1,389,973	29,238
Tuition to Private Schools for the Disabled - Within State	2,913,373	532,584	3,446,157	3,261,301	184,856
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	535,330	(125,349)	409,981	365,283	44,698
Tuition - State Facilities	100,000	(4,063)	95,937	95,417	520
Tuition - Other	130,000	(87,009)	42,991	42,739	252
Total Undistributed Expenditures - Instruction	5,621,654	775,412	6,397,066	5,941,454	455,612
Undistributed Expend. - Attend. & Social Work					
Salaries	172,070	1,000	173,070	169,950	3,120
Other Purchased Services	2,500	(1,000)	1,500		1,500
Total Undistributed Expend. - Attend. & Social Work	174,570		174,570	169,950	4,620
Undist. Expend. - Health Services					
Salaries	2,494,742	(128,107)	2,366,635	2,346,153	20,482
Purchased Professional and Technical Services	566,000	453,798	1,019,798	906,121	113,677
Supplies and Materials	110,800	(11,335)	99,465	84,640	14,825
Other Objects		8,260	8,260	8,260	
Total Undistributed Expenditures - Health Services	3,171,542	322,616	3,494,158	3,345,174	148,984
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	2,024,170	(80,668)	1,943,502	1,928,061	15,441
Purchased Professional - Educational Services	1,331,192	87,953	1,419,145	1,381,343	37,802
Supplies and Materials	24,100	(11,990)	12,110	9,845	2,265
Other Objects		6,588	6,588	6,165	423
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	3,379,462	1,883	3,381,345	3,325,414	55,931
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	2,500	(2,500)			
Other Salaries for Instruction	1,000	(1,000)			
Supplies and Materials	4,000	(4,000)			
Other Objects	7,000	(7,000)			
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	14,500	(14,500)			
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	3,354,764	(81,782)	3,272,982	3,259,642	13,340
Salaries of Secretarial and Clerical Assistants	581,906	10,000	591,906	588,543	3,363
Purchased Professional - Educational Services	1,000		1,000		1,000
Other Purchased Services	1,750	(175)	1,575		1,575
Supplies and Materials	29,500	764	30,264	17,580	12,684
Other Objects	10,300	(420)	9,880	2,237	7,643
Total Undist. Expend. - Guidance	3,979,220	(71,613)	3,907,607	3,868,002	39,605
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	3,029,221	(15,308)	3,013,913	2,994,181	19,732
Salaries of Secretarial and Clerical Assistants	463,744	(12,000)	451,744	437,488	14,256
Purchased Prof. - Educational Services	100,000	48,627	148,627	123,446	25,181
Other Purchased Prof. and Tech. Services	79,500	117	79,617	79,617	
Other Purchased Services		470	470	470	
Supplies and Materials	53,500	(20,839)	32,661	31,568	1,093
Other Objects	1,000	5,350	6,350	2,850	3,500
Total Undist. Expend. - Child Study Team	3,726,965	6,417	3,733,382	3,669,620	63,762
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	2,767,208	(216,450)	2,550,758	2,543,994	6,764
Salaries of Other Professional Staff	95,000	(53,300)	41,700	41,557	143
Salaries of Secretarial and Clerical Assistants	36,903	4,000	40,903	39,843	1,060
Purchased Prof. - Educational Services	10,000	4,984	14,984	14,978	6
Other Purchased Services	6,000	65	6,065	283	5,782
Supplies and Materials	11,000	(215)	10,785	1,045	9,740
Other Objects	5,000		5,000	4,040	960
Total Undist. Expend. - Improvement of Inst. Serv.	2,931,111	(260,916)	2,670,195	2,645,740	24,455

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 1,738,482	\$ (54,000)	\$ 1,684,482	\$ 1,652,030	\$ 32,452
Purchased Professional & Technical Services	2,000		2,000		2,000
Other Purchased Services	5,000	(4,000)	1,000		1,000
Supplies and Materials	139,000	3,932	142,932	116,869	26,063
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,884,482	(54,068)	1,830,414	1,768,899	61,515
Undist. Expend. - Instructional Staff Training Serv.					
Salaries - Other Professional Staff	30,000	(18,000)	12,000	11,170	830
Purchased Professional - Educational Services	120,000	65,844	185,844	183,263	2,581
Supplies and Materials		2,151	2,151	2,117	34
Other Objects	5,000	(1,996)	3,004	1,192	1,812
Total Undist. Expend. - Instructional Staff Training Serv.	155,000	47,999	202,999	197,742	5,257
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	1,336,334	(71,349)	1,264,985	1,262,388	2,597
Legal Services	325,000	299,771	624,771	624,748	23
Audit Fees	90,000	10,000	100,000	97,000	3,000
Architectural/Engineering Services	90,000	184,882	274,882	48,829	226,053
Other Purchased Professional Services	95,000	(49,315)	45,685	36,350	9,335
Communications/Telephone	379,000	231,315	610,315	571,998	38,317
Board of Education Other Purchased Services	7,500	1,400	8,900	2,831	6,069
Miscellaneous Purchased Services	624,547	(111,188)	513,359	470,897	42,462
General Supplies	21,500	765	22,265	10,313	11,952
Board of Education In-House Training/Meeting Supplies	5,000		5,000	3,223	1,777
Judgements Against the School District	40,000	(11,933)	28,067	28,000	67
Miscellaneous Expenditures	60,230	(11,975)	48,255	44,761	3,494
Board of Education Dues and Fees	28,000		28,000	26,663	1,337
Total Undist. Expend. - Supp. Serv. - General Admin.	3,102,111	472,373	3,574,484	3,228,001	346,483
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	5,008,361	132,723	5,141,084	5,130,419	10,665
Salaries of Secretarial and Clerical Assistants	2,644,789	(50,902)	2,593,887	2,581,792	12,095
Travel	2,000	(1,300)	700		700
Supplies and Materials	57,500	30,158	87,658	75,938	11,720
Other Objects	124,600	11,784	136,384	112,064	24,320
Total Undist. Expend. - Support Serv. - School Admin.	7,837,250	122,463	7,959,713	7,900,213	59,500
Undist. Expend. - Central Services					
Salaries	2,203,212	(40,172)	2,163,040	2,151,777	11,263
Purchased Professional Services	10,000	11,571	21,571	21,571	
Purchased Technical Services	20,000	528	20,528	18,524	2,004
Misc Purchased Services	50,800	(1,886)	48,914	26,640	22,274
Supplies and Materials	84,990	(28,881)	56,109	41,213	14,896
Miscellaneous Expenditures	21,750	(2,034)	19,716	11,545	8,171
Total Undist. Expend. - Central Services	2,390,752	(60,874)	2,329,878	2,271,270	58,608
Undist. Expend. - Technology Admin.					
Salaries	1,087,525	(33,100)	1,054,425	1,050,880	3,545
Purchased Professional Services	29,000	3,666	32,666	32,665	1
Purchased Technical Services	243,800	(15,571)	228,229	215,979	12,250
Other Purchased Services	100,150	30,415	130,565	116,591	13,974
Rentals	31,500		31,500	30,263	1,237
Travel		589	589	589	
Supplies and Materials	81,900	60,752	142,652	76,093	66,559
Other Objects	3,000		3,000	1,435	1,565
Total Undist. Expend. - Technology Admin.	1,576,875	46,751	1,623,626	1,524,495	99,131
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	2,229,729	(77,967)	2,151,762	2,151,204	558
Cleaning, Repair and Maintenance Services	590,300	510,999	1,101,299	837,075	264,224
General Supplies	625,000	(57,157)	567,843	475,540	92,303
Other Objects	22,500	1,406	23,906	20,914	2,992
Total Undist. Expend. - Required Maint. for Sch. Facil.	3,467,529	377,281	3,844,810	3,484,733	360,077

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	\$ 5,786,263	\$ (387,203)	\$ 5,399,060	\$ 5,341,574	\$ 57,486
Salaries of Non-Instructional Aides	412,553	(38,015)	374,538	366,667	7,871
Cleaning, Repair and Maintenance Services	335,200	41,145	376,345	352,716	23,629
Other Purchased Property Services	475,000	(21,871)	453,129	445,467	7,662
Insurance	644,591	467,100	1,111,691	1,110,120	1,571
Travel	1,500	(600)	900		900
Miscellaneous Purchased Services	25,000	(24,500)	500		500
General Supplies	405,000	(92,791)	312,209	284,900	27,309
Natural Gas	910,000	(114,000)	796,000	795,614	386
Electricity	2,600,000	(232,248)	2,367,752	2,358,087	9,665
Other Objects	48,000	(30,920)	17,080	14,151	2,929
Total Undist. Expend. - Custodial Services	11,643,107	(433,903)	11,209,204	11,069,296	139,908
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	869,510	(111,605)	757,905	753,266	4,639
Cleaning, Repair and Maintenance Services	110,000	4,009	114,009	33,661	80,348
General Supplies	250,000	7,352	257,352	194,774	62,578
Other Objects	20,000	(16,260)	3,740	3,740	
Total Undist. Expend. - Care and Upkeep of Grounds	1,249,510	(116,504)	1,133,006	985,441	147,565
Undist. Expend. - Security					
Salaries	1,022,467	37,820	1,060,287	1,057,365	2,922
Cleaning, Repair and Maintenance Services	25,000	(25,000)			
General Supplies	30,000	(13,773)	16,227	15,004	1,223
Other Objects	12,500	(9,987)	2,513	1,049	1,464
Total Undist. Expend. - Security	1,089,967	(10,940)	1,079,027	1,073,418	5,609
Undist. Expend. - Student Transportation Serv.					
Salaries for Pupil Trans. (Between Home & School) - Regular	5,054,480	(164,491)	4,889,989	4,888,384	1,605
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	2,782,737	(165,079)	2,617,658	2,616,884	774
Salaries for Pupil Trans. Other than Between Home & School	150,000	85,073	235,073	235,073	
Other Purchased Professional and Technical Services	4,000		4,000	182	3,818
Cleaning, Repair & Maintenance Services	31,000	7,887	38,887	35,526	3,361
Lease Purchase Payments-School Buses	576,000	4,338	580,338	580,336	2
Contracted Services Aid In Lieu of Payment for Non-public School Students	220,000	228,574	448,574	446,853	1,721
Contracted Services (Between Home and School) - Vendors	425,000	180,363	605,363	504,796	100,567
Contracted Services (Other than Between Home and School) - Vendors	25,000	(19,086)	5,914	4,542	1,372
Contracted Services (Between Home and School) - Joint Agreements	10,000	(1,962)	8,038	7,501	537
Contracted Services (Sp. Ed.) - Vendors	1,300,000	516,651	1,816,651	1,609,945	206,706
Contracted Services (Sp. Ed.) - Joint Agreements	80,000	(44,877)	35,123	26,426	8,697
Contracted Services (Regular Students) - ESCs	12,500	(12,500)			
Contracted Services (Special Education Students) - ESCs	125,000	238,798	363,798	289,778	74,020
Miscellaneous Purchased Services - Transportation	150,000	(98,616)	51,384	49,503	1,881
General Supplies	41,110	(18,832)	22,278	20,103	2,175
Transportation Supplies	675,000	(24,806)	650,194	611,816	38,378
Other Objects	1,335,000	(290,843)	1,044,157	1,034,592	9,565
Total Undist. Expend. - Student Transportation Serv.	12,996,827	420,592	13,417,419	12,962,240	455,179
Unallocated Benefits					
Social Security Contributions	2,968,091	(293,022)	2,675,069	2,674,165	904
TPAF Contributions ERIP	120,000	(31,050)	88,950	88,870	80
Other Retirement Contributions - PERS	4,075,688	(269,160)	3,806,528	3,801,106	5,422
Other Retirement Contributions - Deferred PERS Payment	163,538	(11,453)	152,085	150,558	1,527
Workmen's Compensation	1,840,501	2,025,454	3,865,955	3,860,238	5,717
Health Benefits	46,062,419	(135,051)	45,927,368	45,832,623	94,745
Tuition Reimbursement	60,000	(33,068)	26,932	25,695	1,237
Other Employee Benefits	2,128,682	239,509	2,368,191	2,293,430	74,761
Total Unallocated Benefits	57,418,919	1,492,159	58,911,078	58,726,685	184,393
On-behalf Contributions					
TPAF Pension Contributions (On-behalf - Non-Budgeted)				13,655,802	(13,655,802)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				8,819,992	(8,819,992)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				17,226	(17,226)
Reimbursed TPAF Social Security Contributions (non-budgeted)				6,765,533	(6,765,533)
Total On-behalf Contributions				29,258,553	(29,258,553)
TOTAL UNDISTRIBUTED EXPENDITURES	127,811,353	3,062,628	130,873,981	157,416,340	(26,542,359)
TOTAL GENERAL CURRENT EXPENSE	225,117,464	1,213,031	226,330,495	251,324,206	(24,993,711)

Toms River Regional Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction:					
Grades 1-5	\$ 10,000	\$ (312)	\$ 9,688	\$ 3,238	\$ 6,450
Grades 6-8	15,000		15,000		15,000
Grades 9-12	25,000	8,387	33,387	8,387	25,000
Special Education-Instruction:					
Multiple Disabilities	8,000	17,894	25,894	25,893	1
Autism	4,000	(4,000)			
Preschool Disabilities - Part Time	4,000	750	4,750	4,750	
School- Spons. & Other Instruction Program	9,000	22,105	31,105	18,452	12,653
Undistributed Expenditures:					
Undistributed Exp.-Instruction		3,000	3,000		3,000
Support Services - Instructional Staff	6,000		6,000	3,150	2,850
Support Services - Related Services	15,000	(15,000)			
General Administration		2,002	2,002	2,002	
School Administration	18,000		18,000		18,000
Central Services	8,000	18,675	26,675	6,436	20,239
Admin Info Tech	10,000	21,024	31,024	10,828	20,196
Undistributed Exp.-Req. Maint. of School Facilities	20,000	(7,066)	12,934	12,923	11
Undistributed Exp.-Custodial Services	25,000	6,380	31,380	20,377	11,003
Undistributed Exp.-Care and Upkeep of Grounds	20,000	30,920	50,920		50,920
Undistributed Exp.-Security	20,000	(20,000)			
Undistributed Exp.-Non-Instructional Services					
Non-Instructional Equipment	40,000	22,518	62,518	61,836	682
School buses-special		170,103	170,103	170,103	
Total Equipment	257,000	277,380	534,380	348,375	186,005
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		623,383	623,383	161,363	462,020
Other Purchased Professional & Technical Services		8,500	8,500	8,481	19
Construction Services	500,000	497,305	997,305	643,100	354,205
Other Objects - Debt Service Assessment	371,261		371,261	371,261	
Total Facilities Acquisition and Construction Services	871,261	1,129,188	2,000,449	1,184,205	816,244
Assets acquired under capital leases (non budgeted)				2,845,573	(2,845,573)
TOTAL CAPITAL OUTLAY	1,128,261	1,406,568	2,534,829	4,378,153	(1,843,324)
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	40,000		40,000	31,394	8,606
General Supplies	500		500	329	171
Other Objects	1,000		1,000	72	928
Total Instruction	41,500		41,500	31,795	9,705
Total Summer School	41,500		41,500	31,795	9,705
TOTAL SPECIAL SCHOOLS	41,500		41,500	31,795	9,705
TOTAL EXPENDITURES	226,287,225	2,619,599	228,906,824	255,734,154	(26,827,330)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(3,477,952)	(2,619,599)	(6,097,551)	(1,340,076)	4,757,475
Other Financing Sources (Uses):					
Capital lease proceeds				2,845,573	2,845,573
Transfer In	112,280		112,280	191,737	79,457
Transfer Out	(455,910)		(455,910)	(455,910)	
Total Other Financing Sources (Uses)	(343,630)		(343,630)	2,581,400	2,925,030
Extraordinary Item- Restitution proceeds				7,616	7,616
(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources (Uses) and Extraordinary Item	(3,821,582)	(2,619,599)	(6,441,181)	1,248,940	7,690,121
Fund Balance, July 1	23,721,747		23,721,747	23,721,747	
Fund Balance, June 30	\$ 19,900,165	\$ (2,619,599)	\$ 17,280,566	\$ 24,970,687	\$ 7,690,121

General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of (Deficiency) Excess of Revenues and					
Other Financing Sources (uses) (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (1,200,000)		\$ (1,200,000)	\$ 4,891,322	\$ 6,091,322
Adjustment for Prior Year Encumbrances		\$ (2,619,599)	(2,619,599)	(2,619,599)	
Withdrawal Capital Reserve	(755,910)		(755,910)	(755,910)	
Withdrawal Maintenance Reserve	(2,000,000)		(2,000,000)	(2,000,000)	
Interest earned on Maintenance Reserve	9,100		9,100	9,100	
Interest earned on Emergency Reserve	2,450		2,450	2,450	
Interest earned on Capital Reserve	10,500		10,500	10,500	
Increase in Capital Reserve	112,278		112,278	1,711,077	1,598,799
Total	\$ (3,821,582)	\$ (2,619,599)	\$ (6,441,181)	\$ 1,248,940	\$ 7,690,121
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 1,573,524	
Excess Surplus-current year				590,534	
Capital Reserve				4,776,098	
Capital Reserve (utilized in subsequent year's budget)				430,000	
Maintenance Reserve				4,596,820	
Maintenance Reserve (utilized in subsequent year's budget)				2,600,000	
Emergency Reserve				709,865	
Assigned to:					
Additional Assigned Fund Balance Designated for Subsequent Year's Expenditures				1,157,955	
Designated for Subsequent Year's Expenditures				226,476	
Year End Encumbrances				3,003,551	
Unassigned Fund Balance				5,305,864	
					24,970,687
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(6,608,871)	
Solar Renewable Energy Credit Revenue Realized on GAAP Basis				62,930	
Fund balance per Government Funds (GAAP)				\$ 18,424,736	

**Toms River Regional School District
Special Revenue Fund**

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 5,538,052	\$ 2,016,990	\$ 7,555,042	\$ 7,007,117	\$ (547,925)
State Sources	992,610	165,444	1,158,054	881,346	(276,708)
Local Sources	1,714,266	(1,018,561)	695,705	454,876	(240,829)
Total revenues	8,244,928	1,163,873	9,408,801	8,343,339	(1,065,462)
Expenditures:					
Instruction:					
Salaries of teachers	503,403	1,208,553	1,711,956	1,706,151	5,805
Other salaries for instruction		54,343	54,343	21,731	32,612
Purchased professional and technical serv		12,090	12,090	840	11,250
Purchased professional educational services	39,438	90,214	129,652	59,552	70,100
Cleaning, repair and maintenance		54,387	54,387	47,120	7,267
Other purchased professional services	78,034	58,734	136,768	124,057	12,711
Contracted services - vendors		201	201		201
Tuition	3,270,565	290,599	3,561,164	3,561,164	
Travel		7,346	7,346	3,141	4,205
General supplies	3,478,350	(2,780,681)	697,669	430,806	266,863
Textbooks	86,670	(10,799)	75,871	75,278	593
Other objects		21,746	21,746	16,868	4,878
Total instruction	7,456,460	(993,267)	6,463,193	6,046,708	416,485
Support services:					
Salaries of other professional staff		43,470	43,470	42,586	884
Personal services—employee benefits		746,556	746,556	743,453	3,103
Purchased professional educational services	788,468	664,489	1,452,957	1,021,663	431,294
Contracted services - vendors		4,986	4,986	4,758	228
Travel		86	86		86
Supplies and materials		20,460	20,460	18,520	1,940
Other objects		393,813	393,813	253,975	139,838
Total support services	788,468	1,873,860	2,662,328	2,084,955	577,373
Facilities acquisition and construction services:					
Instructional equipment		97,976	97,976	26,372	71,604
Non-instructional equipment		181,304	181,304	181,304	
Total facilities acquisition and construction services		279,280	279,280	207,676	71,604
Other financing uses:					
Transfer out		(4,000)	(4,000)	(4,000)	
Total expenditures	8,244,928	1,163,873	9,408,801	8,343,339	1,065,462
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**Toms River Regional School District
Note to Required Supplementary Information**

Budget to GAAP Reconciliation

Year ended June 30, 2018

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 254,394,078	\$ 8,343,339
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		312,391
Current year		(521,308)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	6,728,281	
Current year	(6,608,871)	
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis		
	62,930	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 254,576,418	\$ 8,134,422
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 255,734,154	\$ 8,343,339
Differences - Budgetary to GAAP:		
Transfer to food service enterprise fund		(4,000)
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		312,391
Current year		(521,308)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 255,734,154	\$ 8,130,422

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, 2018

	Title I, Part A	I.D.E.A.		Title II A	Title III	Title III Immigrant	New Jersey Sustainable Grant	Tech Ready Navy Grant	EPA National Clean Diesel Rebate Program	NEA Big Read
		Part B, Basic	Preschool							
Revenues:										
Federal sources	\$ 2,250,428	\$ 3,669,387	\$ 123,884	\$ 474,370	\$ 46,520	\$ 8,779		\$ 1,400	\$ 175,000	\$ 5,920
State sources										
Other sources							\$ 15,516			
Total revenues	\$ 2,250,428	\$ 3,669,387	\$ 123,884	\$ 474,370	\$ 46,520	\$ 8,779	\$ 15,516	\$ 1,400	\$ 175,000	\$ 5,920
Expenditures:										
Instruction:										
Salaries of teachers	\$ 1,366,729			\$ 306,530	\$ 23,700					
Other salaries for instruction	6,000						\$ 500			
Purchased professional and technical serv										\$ 840
Purchased professional educational services	50,272							\$ 1,400		5,080
Other purchased professional services										
Cleaning, repair and maintenance							1,727			
Tuition		\$ 3,437,280	\$ 123,884							
Travel										
General supplies	54,727				15,410	\$ 6,647	9,289			
Textbooks										
Other objects	100									
Total instruction	1,477,828	3,437,280	123,884	306,530	39,110	6,647	11,516	1,400		5,920
Support services:										
Salaries of other professional staff	39,407				1,680	329				
Personal services-employee benefits	615,801			127,044	608					
Purchased professional educational services	98,777	232,107		40,796	2,574					
Contracted services - vendors	4,446									
Supplies and materials	14,169				2,548	1,803				
Other objects										
Total support services	772,600	232,107		167,840	7,410	2,132				
Facilities acquisition and construction services:										
Instructional equipment									\$ 175,000	
Non-instructional equipment										
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	175,000	-
Other financing uses:										
Transfers out							(4,000)			
Total expenditures	\$ 2,250,428	\$ 3,669,387	\$ 123,884	\$ 474,370	\$ 46,520	\$ 8,779	\$ 15,516	\$ 1,400	\$ 175,000	\$ 5,920

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2018

	Federal Emergency Management Assistance	New Jersey Non-Public Aid						
		Textbooks	Auxiliary Services Ch 192	Transportation	Handicapped Services Ch 193	Nursing	Technology	Security
Revenues:								
Federal sources	\$ 251,429							
State sources		\$ 75,278	\$ 223,974	\$ 35,360	\$ 253,730	\$ 134,345	\$ 50,870	\$ 107,789
Other sources								
Total revenues	\$ 251,429	\$ 75,278	\$ 223,974	\$ 35,360	\$ 253,730	\$ 134,345	\$ 50,870	\$ 107,789
Expenditures:								
Instruction:								
Salaries of teachers								
Other salaries for instruction								
Purchased professional and technical serv								
Purchased professional educational services								
Other purchased professional services								\$ 107,789
Cleaning, repair and maintenance								
Tuition								
Travel								
General supplies							\$ 42,444	
Textbooks		\$ 75,278						
Other objects								
Total instruction		75,278					42,444	107,789
Support services:								
Salaries of other professional staff								
Personal services—employee benefits								
Purchased professional educational services			\$ 223,974	\$ 35,360	\$ 253,730	\$ 134,345		
Contracted services - vendors								
Supplies and materials								
Other objects	\$ 251,429						2,546	
Total support services	251,429		223,974	35,360	253,730	134,345	2,546	
Facilities acquisition and construction services:								
Instructional equipment							5,880	
Non-instructional equipment								
Total facilities acquisition and construction services							5,880	
Other financing uses:								
Transfers out								
Total expenditures	\$ 251,429	\$ 75,278	\$ 223,974	\$ 35,360	\$ 253,730	\$ 134,345	\$ 50,870	\$ 107,789

Toms River Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2018

	<u>Other Local Projects</u>	<u>Orchestra Donation</u>	<u>Various Local Grants</u>	<u>Total</u>
Revenues:				
Federal sources				\$ 7,007,117
State sources				881,346
Other sources	\$ 184,589	\$ 27,920	\$ 226,851	454,876
Total revenues	\$ 184,589	\$ 27,920	\$ 226,851	\$ 8,343,339
Expenditures:				
Instruction:				
Salaries of teachers	\$ 960		\$ 8,232	\$ 1,706,151
Other salaries for instruction		\$ 15,231		21,731
Purchased professional and technical serv			840	840
Purchased professional educational services	2,100		700	59,552
Other purchased professional services			16,268	124,057
Cleaning, repair and maintenance	45,393			47,120
Tuition				3,561,164
Travel	3,141			3,141
General supplies	116,468	12,689	173,132	430,806
Textbooks				75,278
Other objects	2,968		13,800	16,868
Total instruction	171,030	27,920	212,132	6,046,708
Support services:				
Salaries of other professional staff			1,170	42,586
Personal services–employee benefits				743,453
Purchased professional educational services				1,021,663
Contracted services - vendors			312	4,758
Supplies and materials				18,520
Other objects				253,975
Total support services			1,482	2,084,955
Facilities acquisition and construction services:				
Instructional equipment	13,559		6,933	26,372
Non-instructional equipment			6,304	181,304
Total facilities acquisition and construction services	13,559	-	13,237	207,676
Other financing uses:				
Transfers out				(4,000)
Total expenditures	\$ 184,589	\$ 27,920	\$ 226,851	\$ 8,343,339

Capital Projects Fund

Toms River Regional School District
Capital Projects Fund
Summary Schedule of Project Revenues, Expenditures, and
Changes in Fund Balance
(Budgetary Basis)
Year ended June 30, 2018

	Current Year
Revenues and other financing sources	
Debt issuance	\$ 16,710,000
Premium on debt issuance	1,301,561
Interest earned	79,457
Total revenues and other financing sources	18,091,018
Expenditures and other financing uses	
Architectural/Engineering Services	685,870
Interest	350,975
Costs of issuance	121,402
Transfers out	79,457
Total expenditures and other financing uses	1,237,704
Excess of revenues over expenditures and other financing uses	16,853,314
Fund Balance, July 1	-
Fund Balance, June 30	\$ 16,853,314

**Toms River Regional School District
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)**

Energy Savings Improvement Program

From Inception and for the year ended June 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
Debt issuance		\$ 16,710,000	\$ 16,710,000	\$ 16,710,000
Premium on debt issuance		1,301,561	1,301,561	
Interest Earned		79,457	79,457	
Total revenues and other financing sources	-	<u>18,091,018</u>	<u>18,091,018</u>	<u>16,710,000</u>
Expenditures and other financing uses				
Architectural/Engineering Services		685,870	685,870	3,546,812
Construction services				13,163,188
Interest		350,975	350,975	
Costs of issuance		121,402	121,402	
Transfers out		79,457	79,457	
Total expenditures and other financing uses	-	<u>1,237,704</u>	<u>1,237,704</u>	<u>16,710,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 16,853,314</u>	<u>\$ 16,853,314</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/2017
Bond Authorized	\$ 16,710,000
Bonds Issued	16,710,000
Original Authorized Cost	16,710,000
Revised Authorized Cost	<u>\$ 16,710,000</u>
Percentage Increase over Original Authorized	0%
Percentage Completion	7%
Original Target Completion Date	6/30/2019

Fiduciary Funds

Toms River Regional School District
Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2018

	Trust			Agency			
	Private - Purpose Scholarship Funds	Unemployment Compensation	Totals	Student Activity	Payroll	Class Trust Fund	Totals
	Assets						
Cash and cash equivalents	\$ 49,576	\$ 5,859,857	\$ 5,909,433	\$ 762,315	\$ 6,775,908	\$ 39,598	\$ 7,577,821
Total assets	<u>49,576</u>	<u>5,859,857</u>	<u>5,909,433</u>	<u>\$ 762,315</u>	<u>\$ 6,775,908</u>	<u>\$ 39,598</u>	<u>\$ 7,577,821</u>
Liabilities							
Payroll deductions and withholdings payable					\$ 1,726,320		\$ 1,726,320
Summer payroll payable					5,049,588		5,049,588
Accounts payable		81,477	81,477				
Due to class funds						\$ 39,598	39,598
Due to student groups				\$ 762,315			762,315
Total liabilities		<u>81,477</u>	<u>81,477</u>	<u>\$ 762,315</u>	<u>\$ 6,775,908</u>	<u>\$ 39,598</u>	<u>\$ 7,577,821</u>
Net position							
Held in trust for unemployment benefits		5,778,380	5,778,380				
Held in trust for scholarships	49,576		49,576				
Total net position	<u>\$ 49,576</u>	<u>\$ 5,778,380</u>	<u>\$ 5,827,956</u>				

**Toms River Regional School District
Student Activity Agency Fund**

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
MIDDLE SCHOOLS:				
Intermediate North	\$ 25,880	\$ 34,366	\$ 32,765	\$ 27,481
Intermediate East	113,901	37,767	37,942	113,726
Intermediate South	36,594	83,777	69,026	51,345
	<u>176,375</u>	<u>155,910</u>	<u>139,733</u>	<u>192,552</u>
HIGH SCHOOLS:				
High School East	239,629	407,063	422,854	223,838
High School North	177,931	414,936	419,625	173,242
High School South	176,039	310,849	314,205	172,683
	<u>593,599</u>	<u>1,132,848</u>	<u>1,156,684</u>	<u>569,763</u>
Total all schools	<u>\$ 769,974</u>	<u>\$ 1,288,758</u>	<u>\$ 1,296,417</u>	<u>\$ 762,315</u>

Toms River Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 6,603,264	\$ 161,540,290	\$ 161,367,646	\$ 6,775,908
Total assets	<u>\$ 6,603,264</u>	<u>\$ 161,540,290</u>	<u>\$ 161,367,646</u>	<u>\$ 6,775,908</u>
Liabilities				
Payroll deductions and withholdings payable	\$ 1,803,916	\$ 154,765,650	\$ 154,843,246	\$ 1,726,320
Summer payroll payable	4,799,348	6,774,640	6,524,400	5,049,588
Total liabilities	<u>\$ 6,603,264</u>	<u>\$ 161,540,290</u>	<u>\$ 161,367,646</u>	<u>\$ 6,775,908</u>

Toms River Regional School District
Class Trust Fund

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
HIGH SCHOOLS:				
High School North	\$ 12,210	\$ 14	\$ 4,302	\$ 7,922
High School South	30,327	1,365	16	31,676
Total all schools	\$ 42,537	\$ 1,379	\$ 4,318	\$ 39,598

Long-Term Debt

Toms River Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018							
			Date	Amount												
Schools Refunding bonds	4/20/2009	\$ 15,790,000	7/15/2018	\$ 1,275,000	3.50 %	\$ 8,115,000										
			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											
Schools Refunding bonds	12/27/2012	17,635,000	7/15/2018	1,125,000	4.00	16,550,000		1,080,000	15,470,000							
			7/15/2019	1,180,000	4.00											
			7/15/2020	1,235,000	4.00											
			7/15/2021	1,285,000	4.00											
			7/15/2022	1,345,000	4.00											
			7/15/2023	1,395,000	4.00											
			7/15/2024	1,455,000	4.00											
			7/15/2025	1,515,000	4.00											
			7/15/2026	1,580,000	4.00											
			7/15/2027	1,645,000	4.00											
			7/15/2028	1,710,000	4.00											
			Schools Refunding bonds	5/23/2013	20,365,000					7/15/2018	950,000	1.67	18,390,000		945,000	17,445,000
										7/15/2019	960,000	2.01				
7/15/2020	965,000	2.31														
7/15/2021	2,690,000	2.62														
7/15/2022	2,760,000	2.87														
7/15/2023	4,490,000	2.97														
7/15/2024	4,630,000	3.12														
Schools Refunding bonds	10/27/2016	6,055,000	1/15/2019	1,490,000	1.40	6,025,000		1,470,000	4,555,000							
			1/15/2020	1,515,000	1.40											
			1/15/2021	1,550,000	1.40											
School Energy Savings Program	12/20/2017	16,710,000	12/15/2019	820,000	5.00											
			12/15/2020	885,000	5.00											
			12/15/2021	385,000	5.00											
			12/15/2022	425,000	5.00											
			12/15/2023	455,000	5.00											
			12/15/2024	480,000	5.00											
			12/15/2025	530,000	5.00											
			12/15/2026	580,000	5.00											
			12/15/2027	635,000	5.00											
			12/15/2028	695,000	5.00											
			12/15/2029	760,000	5.00											
			12/15/2030	825,000	5.00											
			12/15/2031	895,000	5.00											
			12/15/2032	970,000	5.00											
			12/15/2033	1,050,000	5.00											
			12/15/2034	1,125,000	5.00											
			12/15/2035	1,190,000	3.125											
			12/15/2036	1,260,000	3.25											
			12/15/2037	1,335,000	3.25											
12/15/2038	1,410,000	3.25														
						\$ 16,710,000			16,710,000							
						\$ 49,080,000	\$ 16,710,000	\$ 4,715,000	\$ 61,075,000							

**Toms River Regional School District
Long-Term Debt**

Schedule of Obligations Under Capital Leases

Year ended June 30, 2018

Series	Amount of Original Issue	Balance July 1, 2017	Issued Current Year	Retired Current Year	Balance June 30, 2018
Municipal Capital Corp.- Multiple Locations	\$ 59,271	\$ 8,100		\$ 8,100	
Municipal Capital Corp. - Central Athletics	6,415	1,043		1,043	
TD Equipment - IT Equipment	750,000	230,597		153,187	\$ 77,410
TD Equipment - IT Equipment	700,000	72,278		72,278	
TD Equipment - IT Equipment	1,700,000	693,442		344,320	349,122
TD Equipment - IT Equipment	1,700,000	1,036,425		339,677	696,748
TD Equipment - School Buses and Technology	2,150,000	1,728,912		423,545	1,305,367
TD Equipment - Phone system	875,000	789,093		170,436	618,657
TD Equipment - School Buses and Technology	2,080,000	2,080,000		401,736	1,678,264
TD Equipment - School Buses and Technology	2,130,000		\$ 2,130,000		2,130,000
		<u>\$ 6,639,890</u>	<u>\$ 2,130,000</u>	<u>\$ 1,914,322</u>	<u>\$ 6,855,568</u>

**Toms River Regional School District
Long-Term Debt**

Schedule of Notes Payable

Year ended June 30, 2018

	Interest Rate	Amount of Original Issue	Balance July 1, 2017	Retired Current Year	Balance June 30, 2018
CREBS - November 19, 2008	1.15%	\$ 2,742,510	\$ 1,097,004	\$ 182,834	\$ 914,170
			<u>\$ 1,097,004</u>	<u>\$ 182,834</u>	<u>\$ 914,170</u>

**Toms River Regional School District
Long-Term Debt**

Schedule of Deferred Pension Obligation

Year ended June 30, 2018

	Interest Rate	Amount of Original Issue	Balance July 1, 2017	Retired Current Year	Balance June 30, 2018
Deferred Pension Obligation	8.25%	\$ 958,051	\$ 842,878	\$ 66,461	\$ 776,417
			<u>\$ 842,878</u>	<u>\$ 66,461</u>	<u>\$ 776,417</u>

**Toms River Regional School District
Debt Service Fund**

Budgetary Comparison Schedule

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local tax levy	\$ 5,612,753		\$ 5,612,753	\$ 5,612,753	
State sources:					
Debt Service Aid	349,207		349,207	349,207	
Total revenues	<u>5,961,960</u>		<u>5,961,960</u>	<u>5,961,960</u>	
Expenditures:					
Principal on CREBs	182,834		182,834	182,834	
Principal on bonds	4,715,000		4,715,000	4,715,000	
Interest on ERI	492,169		492,169	492,169	
Interest on bonds	1,027,915		1,027,915	1,027,908	\$ 7
Total expenditures	<u>6,417,918</u>		<u>6,417,918</u>	<u>6,417,911</u>	<u>7</u>
(Deficiency) excess of revenues (under) over expenditures	(455,958)		(455,958)	(455,951)	7
Other financing sources:					
Transfers in	455,910		455,910	455,910	
Total other financing sources	<u>455,910</u>		<u>455,910</u>	<u>455,910</u>	
Net change in fund balance	(48)		(48)	(41)	7
Fund balance, July 1	84,208	-	84,208	84,208	
Fund balance, June 30	<u>\$ 84,160</u>	<u>\$ -</u>	<u>\$ 84,160</u>	<u>\$ 84,167</u>	<u>\$ 7</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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:					(as restated)					
Net Investment in Capital Assets	\$ 99,813,914	\$ 100,138,595	\$ 104,334,891	\$ 105,202,765	\$ 107,466,300	\$ 106,170,502	\$ 118,369,561	\$ 45,783,902	\$ 47,172,494	\$ 45,657,155
Restricted	15,420,155	14,975,296	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319
Unrestricted (deficit)	(117,937,802)	(114,932,226)	(111,724,008)	(106,964,540)	(29,043,889)	(18,654,892)	(8,623,810)	(13,046,576)	(3,591,545)	(4,543,377)
Total Governmental Activities										
Net Position	\$ (2,703,733)	\$ 181,665	\$ 7,104,697	\$ 11,080,990	\$ 87,812,702	\$ 93,504,194	\$ 109,951,550	\$ 33,080,138	\$ 43,945,148	\$ 42,264,097
Business-Type Activities:										
Investment in Capital Assets	\$ 8,997,956	\$ 8,810,878	\$ 9,079,296	\$ 9,333,216	\$ 9,451,339	\$ 9,782,088	\$ 8,735,666	\$ 6,406,443	\$ 6,553,808	\$ 6,230,000
Unrestricted	2,396,522	2,558,382	2,092,765	1,674,628	2,320,105	2,245,021	3,232,844	3,592,818	3,724,150	3,375,546
Total Business-Type Activities										
Net Position	\$ 11,394,478	\$ 11,369,260	\$ 11,172,061	\$ 11,007,844	\$ 11,771,444	\$ 12,027,109	\$ 11,968,510	\$ 9,999,261	\$ 10,277,958	\$ 9,605,546
Government-Wide:										
Net Investment in Capital Assets	\$ 108,811,870	\$ 108,949,473	\$ 113,414,187	\$ 114,535,981	\$ 116,917,639	\$ 115,952,590	\$ 127,105,227	\$ 52,190,345	\$ 53,726,302	\$ 51,887,155
Restricted	15,420,155	14,975,296	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199	1,150,319
Unrestricted (deficit)	(115,541,280)	(112,373,844)	(109,631,243)	(105,289,912)	(26,723,784)	(16,409,871)	(5,390,966)	(9,453,758)	132,605	(1,167,831)
Total Government-Wide Net Position										
	\$ 8,690,745	\$ 11,550,925	\$ 18,276,758	\$ 22,088,834	\$ 99,584,146	\$ 105,531,303	\$ 121,920,060	\$ 43,079,399	\$ 54,223,106	\$ 51,869,643

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,									
	2018	2017	2016	2015	2014	2013 (as restated)	2012	2011	2010	2009
Expenses:										
Governmental Activities:										
Instruction:										
Instruction	\$ 211,887,951	\$ 195,622,192	\$ 178,305,712							
Regular				\$ 139,814,483	\$ 123,114,654	\$ 121,909,028	\$ 65,935,727	\$ 66,235,265	\$ 96,723,532	\$ 91,725,377
Special Education				23,825,273	16,319,752	15,511,096	14,817,304	13,913,417	20,409,347	18,581,171
Other Special Education				1,648,562	1,383,970	1,453,892	1,323,853	1,378,203	2,085,579	1,936,770
Vocational							1,564,781	1,515,261	2,633,777	2,648,657
School Sponsored/Other Instructional				2,985,155	2,806,100	3,730,381	3,699,586	4,006,264	8,041,855	7,839,463
Adult Continuing Education Programs						17,637	28,290	23,848	39,201	31,901
Support Services:										
Attendance / social work	387,746	350,317	314,030							
Health services	6,397,628	5,703,878	5,215,940							
Other Support Services	24,918,381	22,887,331	20,445,313	19,794,456	20,844,273	21,193,367	73,236,252	68,558,277	-	-
Improvement of instruction	6,011,197	5,888,044	5,289,591							
School library	3,891,383	3,604,595	3,352,594							
Instructional staff training	220,608	201,790	253,156							
General Administration	4,916,786	5,409,665	4,493,013	3,712,059	2,519,575	2,238,220	1,913,430	2,237,326	15,757,271	2,904,801
School Administrative Services	17,792,269	16,066,720	14,292,348	12,988,419	11,725,998	10,032,174	10,017,867	10,150,928	3,314,477	14,759,196
Central services	5,034,316	4,381,223	3,867,552							
Administrative information technology	2,861,286	2,809,911	3,278,731							
Required maintenance	7,377,341	7,102,550	5,388,557							
Operation of plant	20,591,699	18,352,517	17,812,538							
Security	2,429,200	2,298,268	2,088,660							
Pupil Transportation	22,514,118	20,142,043	18,731,552	16,255,165	17,617,143	11,695,418	11,314,786	10,923,759	16,639,502	16,955,034
Tuition				4,328,874	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954
Student & Instruction Related Services				10,560,935	12,342,624	19,031,847	18,415,334	18,713,173	25,149,439	23,444,250
Plant Operations & Maintenance				28,494,762	24,909,297	17,129,935	15,818,621	17,263,493	24,895,033	24,101,000
Special Schools	70,589	65,624	42,164	43,489	31,000	26,900	42,143	69,862	80,057	
Costs of issuance	121,402	35,641								
Interest on Long-Term Debt	2,819,562	1,590,563	2,205,859	2,394,907	2,672,509	2,544,895	3,085,116	4,221,619	3,255,648	3,428,108
Unallocated Depreciation						8,666,231	8,174,831	5,747,264	3,077,096	4,731,200
Unallocated Amortization						9,255				
Total Governmental Activities Expenses	340,243,462	312,512,872	285,335,146	266,845,214	240,423,595	238,342,581	232,357,987	227,001,141	222,759,217	215,554,939
Business-Type Activities:										
Food Service	4,294,142	4,344,472	4,637,749	4,637,519	5,187,151	5,469,971	5,185,881	5,113,640	4,713,932	4,922,710
Corporate Center	916,866	829,536	850,433	907,582	749,028	799,006	817,782	924,024	926,541	982,127
Day Care Center	738,499	706,731	808,082	862,347	827,779	747,396	811,474	700,641	463,157	329,499
Bennett Complex	361,086	342,781	328,542	680,839	317,332	278,982	271,046			
RWJ Barnabas Health Arena	410,859	381,959	403,707	693,480	287,525	217,684	276,295	324,514	370,161	626,118
Total Business-Type Activities Expenses	6,721,452	6,605,479	7,028,513	7,781,767	7,368,815	7,513,039	7,362,478	7,062,819	6,473,791	6,860,454
Total District Expenses	\$ 346,964,914	\$ 319,118,351	\$ 292,363,659	\$ 274,626,981	\$ 247,792,410	\$ 245,855,620	\$ 239,720,465	\$ 234,063,960	\$ 229,233,008	\$ 222,415,393

**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,									
	2018	2017	2016	2015	2014	2013 (as restated)	2012	2011	2010	2009
Program Revenues:										
Operating Grants & Contributions	\$ 7,889,330	\$ 7,941,100	\$ 7,468,573	\$ 6,997,929	\$ 6,909,414	\$ 8,445,687	\$ 7,752,618	\$ 9,867,886	\$ 12,808,646	\$ 8,068,901
Charges for services	1,401,745	1,524,208	1,228,039	1,109,587	1,375,757	1,325,068				
Capital Grants & Contributions	241,092	78,082	15,089	10,324	33,279					
Total Governmental Activities Program Revenues	9,532,167	9,543,390	8,711,701	8,117,840	8,318,450	9,770,755	7,752,618	9,867,886	12,808,646	8,068,901
Business-Type Activities:										
Charges for Services:										
Food Service	2,006,216	2,165,766	2,247,791	2,435,298	2,636,196	2,872,395	3,099,881	3,386,422	3,372,171	3,836,181
Corporate Center	933,800	891,265	1,094,318	1,036,502	1,022,375	763,881	667,877	631,684	937,439	787,549
Day Care Center	749,195	687,233	695,707	785,564	839,809	745,589	722,030	707,876	443,058	443,142
Bennett Complex	410,492	451,357	446,380	379,110	388,887	336,464	366,712	-	-	-
RWJ Barnabas Health Arena	536,481	406,743	405,540	313,868	390,492	303,249	356,569	735,439	842,228	1,000,306
Operating Grants & Contributions	2,217,811	2,311,619	2,414,690	2,022,935	1,986,596	2,022,890	1,877,730	1,831,685	1,548,918	1,426,278
Total Business-Type Activities Program Revenues	6,853,995	6,913,983	7,304,426	6,973,277	7,264,355	7,044,468	7,090,799	7,293,106	7,143,814	7,493,456
Total District Program Revenues	\$ 16,386,162	\$ 16,457,373	\$ 16,016,127	\$ 15,091,117	\$ 15,582,805	\$ 16,815,223	\$ 14,843,417	\$ 17,160,992	\$ 19,952,460	\$ 15,562,357
Net (Expense)/Revenue:										
Governmental Activities	\$ (330,711,295)	\$ (302,969,482)	\$ (276,623,445)	\$ (258,727,374)	\$ (232,105,145)	\$ (228,571,826)	\$ (224,605,369)	\$ (217,133,255)	\$ (209,950,571)	\$ (207,486,038)
Business-Type Activities	132,543	308,504	275,913	(808,490)	(104,460)	(468,571)	(271,679)	230,287	670,023	633,002
Total Government-Wide Expense	\$ (330,578,752)	\$ (302,660,978)	\$ (276,347,532)	\$ (259,535,864)	\$ (232,209,605)	\$ (229,040,397)	\$ (224,877,048)	\$ (216,902,968)	\$ (209,280,548)	\$ (206,853,036)

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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	(as restated)									
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 151,916,716	\$ 144,911,347	\$ 137,569,066	\$ 132,197,482	\$ 118,518,706	\$ 132,719,175	\$ 131,104,192	\$ 126,219,467	\$ 115,800,000	\$ 111,634,746
Taxes Levied for Debt Service	5,612,753	5,697,674	6,002,643	6,151,510	6,230,678	6,406,267	6,303,660	6,427,760	6,661,616	4,065,852
Unrestricted Grants & Contributions	168,480,782	138,865,669	126,812,212	118,915,604	98,565,195	85,456,375	84,568,143	77,052,160	84,341,484	80,995,846
Investment Earnings	161,918	28,209	4,788	2,341	1,268	5,445	7	54,155	27,210	210,337
Miscellaneous Income	1,537,832	1,065,489	1,246,460	852,447	665,152	3,477,887	3,538,549	3,517,281	2,214,528	2,916,172
Transfers	108,280	112,280	112,280	112,282	152,280	587,084	192,280	513,209		
FEMA Reimbursement						165,674				
Total Governmental Activities	327,818,281	290,680,668	271,747,449	258,231,666	224,133,279	228,817,907	225,706,831	213,784,032	209,044,838	199,822,953
Special Item	7,616	5,000,000								
Extraordinary Item		365,782	899,703	589,976	2,280,374					
Business-Type Activities:										
Investment Earnings	955	975	584	626	1,075	1,325	1,954	4,225	5,291	16,561
FEMA Reimbursement				73,900						
Miscellaneous Income				82,646						
Transfers	(108,280)	(112,280)	(112,280)	(112,282)	(152,280)	(587,084)	(192,280)	(513,209)	-	-
Total Business-Type Activities	(107,325)	(111,305)	(111,696)	44,890	(151,205)	(585,759)	(190,326)	(508,984)	5,291	16,561
Total Government-Wide	\$ 327,710,956	\$ 290,569,363	\$ 271,635,753	\$ 258,276,556	\$ 223,982,074	\$ 228,232,148	\$ 225,516,505	\$ 213,275,048	\$ 209,050,129	\$ 199,839,514
Change in Net Position:										
Governmental Activities	\$ (2,885,398)	\$ (6,923,032)	\$ (3,976,293)	\$ 94,268	\$ (5,691,492)	\$ 246,081	\$ 1,101,462	\$ (3,349,223)	\$ (905,733)	\$ (7,663,085)
Business-Type Activities	25,218	197,199	164,217	(763,600)	(255,665)	(1,054,330)	(462,005)	(278,697)	675,314	649,563
Total District	\$ (2,860,180)	\$ (6,725,833)	\$ (3,812,076)	\$ (669,332)	\$ (5,947,157)	\$ (808,249)	\$ 639,457	\$ (3,627,920)	\$ (230,419)	\$ (7,013,522)

Source: CAFR Schedule A-2

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

Note 2: GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.

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

	JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Restricted	\$ 15,276,841	\$ 14,975,296	\$ 14,493,814	\$ 12,842,765	\$ 9,390,561	\$ 5,887,107	\$ 5,974,848	\$ 5,796,119	\$ 9,069,361	\$ 13,302,560
Assigned	3,147,905	2,018,170	1,092,087	1,916,077	1,110,444	2,396,538	1,364,933			
Unassigned						474,200		(1,951,224)	3,330,513	2,144,003
Total General Fund	\$ 18,424,746	\$ 16,993,466	\$ 15,585,901	\$ 14,758,842	\$ 10,501,005	\$ 8,757,845	\$ 7,339,781	\$ 3,844,895	\$ 12,399,874	\$ 15,446,563
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund	\$ 16,853,314					\$ 1,108	\$ 114,112	\$ 249,446	\$ 257,947	\$ 1,150,148
Debt Service Fund	84,167	\$ 84,208	\$ 49	\$ 157,002	\$ 165,684	100,369	91,687	106,165	106,252	171
Total All Other Governmental Funds	\$ 16,937,481	\$ 84,208	\$ 49	\$ 157,002	\$ 165,684	\$ 101,477	\$ 205,799	\$ 355,611	\$ 364,199	\$ 1,150,319

Source: CAFR Schedule B-1

Note 1: GASB 54 was implemented in the 2011 fiscal year, which required the presentation of governmental fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated and are not required to be.

**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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Tax Levy	\$ 157,529,469	\$ 150,609,021	\$ 143,571,709	\$ 138,348,992	\$ 124,749,384	\$ 139,125,442	\$ 137,407,852	\$ 132,647,227	\$ 122,461,616	\$ 115,700,598
Other Local Revenue	3,468,772	2,978,380	2,620,178	2,150,232	2,523,642	3,487,656	3,644,472	4,133,207	2,441,589	6,794,020
Restricted Grants-in-Aid - Ocean County								4,778	4,500	21,967
State Sources	99,676,989	95,495,409	92,004,137	88,717,248	85,733,921	87,060,718	81,872,704	76,746,160	84,137,134	82,176,131
Federal Revenue	309,882	494,916	7,810,536	9,501,970	12,831,274	353,171	2,695,439	301,222		6,866,649
Subtotal	260,985,112	249,577,726	246,006,560	238,718,442	225,838,221	230,026,987	225,620,467	213,832,594	209,044,839	211,559,365
Special Revenue:										
Federal	6,944,604	6,802,961	6,534,583	6,120,186	6,162,773	6,849,177	6,836,288	8,231,588	11,626,193	6,866,649
State	822,541	830,725	808,188	702,210	596,876	964,064	810,414	1,074,527	1,182,453	1,202,252
Total Revenues	268,752,257	257,211,412	253,349,331	245,540,838	232,597,870	237,840,228	233,267,169	223,138,709	221,853,485	219,628,266
Expenditures:										
Instruction:										
Instruction	98,261,574	98,785,657	96,460,261							
Regular Instruction				67,749,842	71,424,029	69,909,028	65,935,727	66,235,265	70,775,226	60,157,586
Special Education Instruction				13,449,986	16,319,752	15,511,096	14,817,304	13,913,417	13,682,035	12,867,969
Other Instruction				11,379,122	1,383,970	1,453,892	1,323,853	1,378,203	1,391,433	1,337,305
Vocational							1,564,781	1,515,261	1,792,949	1,883,453
School Sponsored/Other Instructional Adult/Continuing Education Programs				3,638,816	2,806,100	3,730,381	3,699,586	4,006,264	6,484,121	4,395,856
Support Services:						17,637	28,290	23,848	27,573	22,427
Tuition	5,941,454	5,135,651	3,944,585	4,275,708	4,124,211	3,148,205	2,985,309	2,070,901	667,598	2,387,954
Student & Instruction Related Services	21,074,301	20,580,310	19,878,812	16,833,119	18,128,663	19,031,847	18,415,334	18,713,173	17,114,306	16,546,017
General Administration	3,209,748	3,877,107	3,229,855	2,846,459	2,300,496	2,238,220	1,913,430	2,237,326	2,740,117	2,400,865
School Administrative Services	7,900,213	7,730,391	7,504,228	10,912,587	10,720,294	10,076,204	10,017,867	10,150,928	10,713,775	10,424,275
Central services	2,271,270	2,146,758	2,074,046							
Administrative information technology	1,494,232	1,551,109	1,609,660							
Plant Operations & Maintenance	16,612,888	16,450,307	16,273,944	17,289,882	17,275,268	17,348,622	15,848,523	17,398,949	19,645,580	19,427,536
Student Transportation	12,381,904	11,575,212	11,271,722	11,551,517	12,552,552	11,695,418	11,314,786	10,923,759	12,933,062	13,748,617
Business & Other Support Services										292
Unallocated Benefits	87,985,238	80,117,455	80,832,203	73,918,744	71,706,026	75,107,138	74,118,411	68,242,373	62,267,473	52,799,752

**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.									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenditures (continued):										
Special Schools	\$ 31,795	\$ 32,276	\$ 31,169	\$ 26,635	\$ 27,538	\$ 31,000	\$ 26,900	\$ 42,143	\$ 46,691	\$ 55,059
Capital Projects Fund						113,004	43,740	8,501	1,092,353	7,515,483
Debt Service:		6,455,314	6,511,486	6,519,548	6,537,969	6,765,667	6,772,384	6,766,561	7,011,966	7,107,723
Debt service payment - principal	6,812,156									
Debt service payment - interest	2,037,444									
Costs of issuance	121,402									
Capital Outlay:										
Equipment	4,120,910	2,636,870	1,471,730	2,301,535	2,325,038	921,527	1,182,495	852,188	273,988	1,014,401
Facilities Acquisition & Construction Services	1,184,205	1,387,668	2,597,507	1,362,825	1,518,998	602,484	406,962	400,772	160,413	
Total Expenditures	271,440,734	258,462,085	253,691,208	244,056,325	239,150,904	237,701,370	230,415,682	224,879,832	228,820,659	214,092,570
(Deficiency) Excess of Revenues (Under) Over Expenditures	(2,688,477)	(1,250,673)	(341,877)	1,484,513	(6,553,034)	138,858	2,851,487	(1,741,123)	(6,967,174)	5,535,696
Other Financing Sources/(Uses):										
Transfers Out	(539,367)	(455,910)			(22)	(4,324)				(300,000)
Transfers In	647,647	568,190	112,280	112,282	152,302	587,084	192,280	513,209		
Proceeds from Community Disaster Loan (CDL)				411,148	4,588,852					
Refunding bonds issued		6,055,000								
Payment to bond refunding escrow agent		(6,022,525)								
Non-Federal Cost Share Reimbursement Program proceeds funded by Community Development Block Grant		25,022								
Bonds issued	16,710,000									
Premium on bonds issued	1,301,561									
Capital Leases (Nonbudgeted)	2,845,573	2,206,838		1,651,236	1,338,895	426,450	301,307	180,134		
Total Other Financing Sources (Uses)	20,965,414	2,376,615	112,280	2,174,666	6,080,027	1,009,210	493,587	693,343	-	(300,000)
Extraordinary Item	7,616	365,782	899,703	589,976	2,280,374					
Net Change in Fund Balances	\$ 18,284,553	\$ 1,491,724	\$ 670,106	\$ 4,249,155	\$ 1,807,367	\$ 1,148,068	\$ 3,345,074	\$ (1,047,780)	\$ (6,967,174)	\$ 5,235,696
Debt Service as a Percentage of Noncapital Expenditures	3.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%	3.5%

Source: District records CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	PRIOR YEAR REFUNDS	NET DONATIONS	E-Rate	RENTAL INCOME	TRANSPORTATION	SALE OF SOLAR RENEWABLE ENERGY CREDITS	MISCELLANEOUS	TOTAL
2018	\$ 82,461	\$ 1,242,546			\$ 270,572	\$ 119,921	\$ 159,199	\$ 376,611	\$ 770,728	\$ 3,022,038
2017	28,209	1,457,109			225,000	127,076	67,099	365,735	319,490	2,589,718
2016	4,788	1,143,509			602,780	145,635	84,530	485,024	12,974	2,479,240
2015	2,341	1,031,474	\$ 265		300,000	128,231	78,113	229,013	185,477	1,954,914
2014	1,246	1,292,661	11,316			140,966	83,096	460,199	338,241	2,327,725
2013	5,437	1,325,068				165,676	121,638		1,231,420	2,849,239
2012		1,416,542				164,538	149,326		1,764,000	3,494,406
2011	54,073	870,836				104,019	180,438		1,862,613	3,071,979
2010	26,918	400,375	20,606	\$ 163,706		84,422	127,018		1,418,402	2,241,447
2009	208,104	428,009	863,856	107,744		88,520	90,457		1,326,637	3,113,327

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
2018	\$ 808,928,748
2017	807,205,944
2016	803,231,600
2015	1,002,554,600
2014	1,004,086,500
2013	1,010,656,000
2012	1,018,095,300
2011	1,019,970,687
2010	1,020,998,700
2009	1,042,734,166
TOWNSHIP OF TOMS RIVER	
2018	\$ 12,900,040,060
2017	12,840,826,260
2016	12,672,646,060
2015	12,524,602,960
2014	12,460,318,018
2013	11,389,473,485
2012	16,353,737,465
2011	16,986,477,060
2010	17,155,320,796
2009	17,221,567,478
BOROUGH OF PINE BEACH	
2018	\$ 246,829,467
2017	247,433,325
2016	246,598,826
2015	245,057,300
2014	244,468,238
2013	244,264,100
2012	301,485,400
2011	302,358,228
2010	302,167,066
2009	319,505,115
BOROUGH OF SOUTH TOMS RIVER	
2018	\$ 222,375,581
2017	220,876,359
2016	220,503,621
2015	271,377,300
2014	277,255,530
2013	277,442,693
2012	281,070,781
2011	282,485,773
2010	282,917,127
2009	283,439,208

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							
2018	\$	1.047	\$	0.897	\$	0.451	\$ 2.395
2017		1.027		0.873		0.451	2.351
2016		1.033		0.865		0.434	2.332
2015		0.080		0.673		0.362	1.831
2014		0.756		0.674		0.353	1.783
2013		0.741		0.673		0.354	1.768
2012		0.730		0.650		0.344	1.724
2011		0.731		0.622		0.337	1.690
2010		0.716		0.585		0.334	1.635
2009		0.666		0.559		0.320	1.545
TOWNSHIP OF TOMS RIVER							
2018	\$	1.145	\$	0.650	\$	0.493	\$ 2.288
2017		1.123		0.649		0.497	2.269
2016		1.083		0.648		0.481	2.212
2015		1.044		0.612		0.471	2.127
2014		1.014		0.584		0.430	2.028
2013		0.992		0.544		0.431	1.961
2012		0.778		0.412		0.348	1.538
2011		0.739		0.377		0.335	1.451
2010		0.706		0.347		0.317	1.370
2009		0.634		0.290		0.308	1.232
BOROUGH OF PINE BEACH							
2018	\$	1.090	\$	0.810	\$	0.470	\$ 2.370
2017		1.050		0.780		0.460	2.290
2016		1.003		0.740		0.457	2.230
2015		1.003		0.693		0.469	2.165
2014		0.963		0.660		0.456	2.079
2013		0.937		0.650		0.421	2.008
2012		0.785		0.499		0.370	1.654
2011		0.785		0.484		0.361	1.630
2010		0.738		0.469		0.347	1.554
2009		0.700		0.465		0.338	1.503
BOROUGH OF SOUTH TOMS RIVER							
2018	\$	0.956	\$	1.529	\$	0.418	\$ 2.903
2017		0.958		1.485		0.420	2.863
2016		0.950		1.430		0.414	2.794
2015		0.751		1.089		0.343	2.183
2014		0.710		1.050		0.341	2.101
2013		0.702		1.009		0.325	2.036
2012		0.725		0.951		0.335	2.011
2011		0.732		0.888		0.338	1.958
2010		0.696		0.862		0.341	1.899
2009		0.643		0.786		0.320	1.749

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	2018			TAXPAYER	2009		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE
BEACHWOOD TOP TEN							
CVS Health Corp	\$ 3,289,900	1	0.41%	Individual Taxpayer #1	\$ 4,133,900	1	0.40%
DCTN3 Beachwood, NJ LLC	2,875,200	2	0.36%	Individual Taxpayer #2	3,504,400	2	0.34%
Town & Country Bakery	1,533,500	3	0.19%	Individual Taxpayer #3	3,297,300	3	0.32%
Moorehouse Speedwell LTD Partnership	1,400,900	4	0.17%	Town & Country Bakery	2,038,300	4	0.20%
Rite Aid Corp/Lease Com Depts 3573	1,380,000	5	0.17%	Cranberry Road LLC	1,741,500	5	0.17%
Stone Fire Grille LLC	1,157,000	6	0.14%	Rite Aid Corp	1,544,100	6	0.15%
443 Associates LLC	755,000	7	0.09%	Individual Taxpayer #4	1,369,300	7	0.13%
Beachwood Atlantic Blvd LLC	648,900	8	0.08%	Individual Taxpayer #5	1,352,400	8	0.13%
Beachwood Yacht Club	640,900	9	0.08%	Moorehouse-Speedwell LTD	1,327,200	9	0.13%
NK Properties LLC	596,400	10	0.07%	Individual Taxpayer #6	1,323,300	10	0.13%
	\$ 14,277,700				\$ 21,631,700		
TOMS RIVER TOP TEN							
CPI @ Simon Property Group, LP	\$ 135,000,000	1	1.05%	CPI @ Simon Property Group, LP	\$ 76,499,900	1	0.54%
Fairways at Bey Lea LLC	55,000,000	2	0.43%	SDD INC @ D Donofrio	24,881,300	2	0.18%
BASF Corp	42,000,000	3	0.33%	Ciba Speciality Chemical Corp	20,629,300	3	0.15%
SDD INC @ D Donofrio	39,000,000	4	0.30%	J & I Realty Associates LLC	16,450,700	4	0.12%
J&I Realty Assoc LLC @ AAC Mgmt	31,654,300	5	0.25%	Fairways at Bey Lea LLC	15,966,600	5	0.11%
Seacourt Pavilion LLC	30,000,000	6	0.23%	SP Acquisition Assoc @ Pyne Co	15,314,700	6	0.11%
East Coast Holiday on Bay LLC	26,640,000	7	0.21%	Indian Head Plaza Assoc @ JK Mgmt	10,500,000	7	0.07%
S/K Bey Lea Associates I LLC	19,750,000	8	0.15%	ACI Toms River LLC	9,274,800	8	0.07%
1256 IHR Associates LLC	18,733,100	9	0.15%	Dover Parkade LLC @ Paramount Rlty	8,772,400	9	0.06%
Dover Parkade LLC @ Paramount Rlty	17,500,000	10	0.14%	999 Route 37 West @ Cronheim	755,000	10	0.01%
	\$ 415,277,400				\$ 199,044,700		
SOUTH TOMS RIVER TOP TEN							
Lighthouse Pt. Marina & Yacht	\$ 3,717,700	1	1.67%	PPM Holdings Co	\$ 5,431,700	1	1.92%
1 River Place, LLC	3,411,500	2	1.53%	Lighthouse Pt. Marina & Yacht	3,716,300	2	1.31%
530 LLC	2,322,200	3	1.04%	Lorlin Realty Inc	2,235,600	3	0.79%
Moros, Zack Sr & Roula	1,760,100	4	0.79%	Zack and Roula Moros	1,714,000	4	0.60%
Lorlin Realty Inc	1,636,300	5	0.74%	Safebet LLC	1,700,000	5	0.60%
Legend Realty Associates, Inc	1,355,500	6	0.61%	530 LLC	1,520,000	6	0.54%
Tradewinds Marina, Inc.	993,800	7	0.45%	Tradewinds Marina	1,370,500	7	0.48%
RBC-NJ Properties, LLC	901,300	8	0.41%	Kosich, Katharin	1,137,600	8	0.40%
Boynton, Susan	897,700	9	0.40%	Boynton, Susan	1,079,500	9	0.38%
Storage Mall Toms River, LLC	870,000	10	0.39%	Mini Mall, Inc	1,000,700	10	0.35%
	\$ 17,866,100				\$ 20,905,900		
PINE BEACH TOP TEN							
Dudeck, William Jr & Laura	\$ 45,493	1	0.02%	Individual Taxpayer #1	\$ 1,171,000	1	0.37%
Sobieski, James & Grazia	28,439	2	0.01%	Individual Taxpayer #2	1,079,200	2	0.34%
La Pierre, Inc	27,481	3	0.01%	Individual Taxpayer #3	1,073,400	3	0.34%
Karpinsky, Larry & Dixie	24,775	4	0.01%	Individual Taxpayer #4	1,041,700	4	0.33%
Shirey, Charles & Kristine	23,915	5	0.01%	Individual Taxpayer #5	1,039,200	5	0.33%
Finley, Raymond & Deborah	21,133	6	0.01%	Individual Taxpayer #6	982,600	6	0.31%
Kammerman, Peter	21,099	7	0.01%	Individual Taxpayer #7	977,600	7	0.31%
Crowell, Gary & Deborah	20,981	8	0.01%	Individual Taxpayer #8	966,000	8	0.30%
Canale, Jennie Trustee	20,172	9	0.01%	Individual Taxpayer #9	879,400	9	0.28%
Berkeley Holding Corp Etal	19,427	10	0.01%	Individual Taxpayer #10	878,700	10	0.28%
	\$ 252,915				\$ 10,088,800		

Source: Township tax office

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

Unaudited

CALENDAR YEAR ENDED DECEMBER 31,	TOTAL TAX LEVY	AMOUNT	PERCENTAGE OF LEVY
Borough of Beachwood			
2018	N/A	N/A	N/A
2017	\$ 19,022,154	\$ 18,742,223	95.53%
2016	18,733,655	18,385,739	97.62%
2015	18,388,302	17,860,771	97.13%
2014	17,953,574	17,378,788	96.79%
2013	17,906,306	17,293,794	96.57%
2012	17,577,539	17,077,645	97.16%
2011	17,269,528	16,928,427	96.30%
2010	16,733,588	16,173,953	96.66%
2009	15,784,498	15,293,527	96.89%
Township of Toms River			
2018	N/A	N/A	N/A
2017	\$ 302,723,661	\$ 296,410,794	97.91%
2016	291,569,688	285,868,733	88.04%
2015	277,610,168	271,732,211	97.88%
2014	261,260,304	255,561,780	97.81%
2013	231,047,482	225,649,792	97.66%
2012	260,499,876	249,136,567	95.64%
2011	254,757,257	246,018,967	96.57%
2010	242,727,698	235,626,904	97.07%
2009	118,269,202	113,188,256	95.70%
Borough of Pine Beach			
2018	N/A	N/A	N/A
2017	\$ 5,668,699	\$ 5,609,004	98.94%
2016	5,509,089	5,434,150	98.63%
2015	5,331,898	5,246,053	98.29%
2014	5,100,301	3,484,655	97.41%
2013	4,911,915	4,148,088	97.67%
2012	4,989,339	4,836,665	96.94%
2011	4,928,439	4,850,570	98.42%
2010	4,699,487	4,581,889	97.50%
2009	4,539,269	4,400,340	96.94%
Borough of South Toms River			
2018	N/A	N/A	N/A
2017	\$ 6,338,508	\$ 6,135,359	96.80%
2016	6,185,377	6,101,081	97.17%
2015	5,943,841	5,674,371	95.47%
2014	5,766,765	5,413,165	93.87%
2013	5,663,235	5,349,728	94.46%
2012	5,656,016	5,309,391	93.87%
2011	5,540,073	5,288,930	95.47%
2010	5,395,819	5,153,044	95.50%
2009	4,962,865	4,754,738	95.81%

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 ¹ PERSONAL INCOME	OCEAN COUNTY PER CAPITA ¹
	GENERAL OBLIGATION BONDS	COMMUNITY DISASTER LOAN	NOTES PAYABLE	CAPITAL LEASES			
2018	\$ 63,759,415		\$ 914,170	\$ 6,855,568	\$ 71,529,153	N/A	N/A
2017	50,634,395		1,097,004	6,639,890	58,371,289	0.09%	\$530
2016	55,098,339	\$ 5,000,000	1,279,838	3,027,893	64,406,070	0.07%	591
2015	57,705,000	5,000,000	1,462,672	4,174,756	68,342,428	0.07%	633
2014	61,830,000	4,588,852	1,645,506	1,587,537	69,651,895	0.06%	642
2013	65,975,000		2,929,431	663,143	69,567,574	0.06%	640
2012	67,394,000		3,197,210	455,380	71,046,590	0.06%	652
2011	70,799,000		3,461,507	143,426	74,403,933	0.05%	685
2010	74,069,000		3,275,537	156,609	77,501,146	0.05%	717
2009	77,369,000		4,682,119	219,765	82,270,884	0.05%	726

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

¹ See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar years.

N/A-information not available.

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2018	\$ 61,075,000	\$ 16,794,167	\$ 44,280,833	0.31%	N/A
2017	49,080,000	84,208	48,995,792	0.35%	\$530
2016	55,098,339		55,098,339	0.40%	591
2015	57,705,000		57,705,000	0.41%	633
2014	61,830,000		61,830,000	0.39%	642
2013	65,975,000		65,975,000	0.51%	640
2012	67,394,000		67,394,000	0.38%	652
2011	70,799,000		70,799,000	0.38%	685
2010	76,426,667		76,426,667	0.40%	717
2009	81,133,249		81,133,249	0.46%	726

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, 2018
*Unaudited***

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Toms River Regional Schools		100%	\$ 44,280,833
Net Overlapping Debt of School District:			
Beachwood		100%	21,931,554
Toms River		100%	153,568,629
Pine Beach		100%	5,434,150
South Toms River		100%	622,581
Total Direct & Overlapping Debt			\$ 225,837,747

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 655,451,418	\$ 637,576,714	\$ 624,209,152	\$ 646,632,009	\$ 622,212,017	\$ 707,198,011	\$ 746,186,283	\$ 751,626,286	\$ 694,120,977	\$ 649,556,991
Total Net Debt Applicable to Limit	44,280,833	48,995,792	53,404,951	57,705,000	61,830,000	65,975,000	67,394,000	70,799,000	76,426,667	81,133,249
Legal Debt Margin	\$ 611,170,585	\$ 588,580,922	\$ 570,804,201	\$ 588,927,009	\$ 560,382,017	\$ 641,223,011	\$ 678,792,283	\$ 680,827,286	\$ 617,694,310	\$ 568,423,742
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.76%	7.68%	8.56%	8.92%	9.94%	9.74%	9.46%	9.42%	11.01%	12.49%

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized Valuation Basis	
2018	\$ 16,804,085,515
2017	16,531,848,986
2016	15,822,921,869
	\$ 49,158,856,370
Average Equalized Valuation of Taxable Property	\$ 16,386,285,457
Debt Limit (4 % of Average Equalization Value)	\$ 655,451,418
Net Bonded School Debt	44,280,833
Legal Debt Margin	\$ 611,170,585

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

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

YEAR	POPULATION (a)	OCEAN COUNTY PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATES(c)			
			BEACHWOOD	TOMS RIVER	PINE BEACH	S. TOMS RIVER
2018	N/A	N/A	N/A	N/A	N/A	N/A
2017	110,205	\$ 50,184	4.4%	4.4%	4.6%	8.6%
2016	108,946	47,413	4.9%	4.9%	4.6%	7.9%
2015	107,917	46,109	5.9%	5.7%	4.4%	8.2%
2014	108,430	44,453	6.6%	6.7%	6.8%	9.9%
2013	108,630	42,946	6.5%	8.6%	6.8%	7.6%
2012	109,026	42,603	11.0%	10.0%	8.9%	17.1%
2011	108,618	40,724	10.7%	9.9%	8.8%	16.8%
2010	108,095	40,291	10.3%	9.7%	8.4%	16.1%
2009	113,263	39,331	9.8%	9.4%	8.0%	15.4%

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 2018 audit, this information was not available.

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

	<u>2018</u>	<u>2009</u>
<u>EMPLOYER</u>	<u>TOTAL EMPLOYEES RANK EMPLOYMENT</u>	<u>TOTAL EMPLOYEES RANK EMPLOYMENT</u>

THIS INFORMATION IS NOT AVAILABLE.

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	2018	2017	2016	2015	2014	2013	2012	2011	2010*	2009
Instruction:										
Regular	951	959	972	977	983	968	948	940	1,043	1,100
Special Education	292	284	285	289	172	186	186	186	322	304
Other Special Instruction	1	1	1	1	1					3
Vocational							22	24	23	26
Support Services:										
Student & Instruction										
Related Services	282	278	270	268	261	261	248	261	40	46
School Administrative										
Services	158	154	153	159	155	158	163	163	137	102
General Administration	41	41	40	40	41	36	35	35	34	77
Plant Operations &										
Maintenance	235	246	257	265	265	258	265	271	272	175
Administrative Information										
Technology	14	14	17	17	18	18	17	18	18	19
Pupil Transportation	195	191	195	194	191	192	188	186	185	190
Other Support Services	117	112	120	115	119	123	124	125	121	111
Total	2,286	2,280	2,310	2,325	2,206	2,200	2,196	2,209	2,195	2,153

* 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
2018	15,565	\$257,164,617	\$16,522	3.7%	1,244	13.0	15,399.4	14,568.3	-1.3%	94.6%
2017	15,788	247,982,233	15,707	2.0%	1,243	14.2	15,602.8	14,755.4	-1.3%	94.6%
2016	15,908	243,110,485	15,282	4.0%	1,258	13.1	15,812.0	14,963.0	0.2%	94.6%
2015	15,856	233,872,417	14,750	2.2%	1,269	13.5	15,783.8	14,919.8	-2.2%	94.5%
2014	16,182	228,770,177	14,137	-0.9%	1,274	13.7	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	-2.1%	1,295	N/A	17,169.8	16,144.2	-2.3%	94.0%

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 Taxpayers' Guide to Education Spending

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

DISTRICT BUILDINGS	2018	2017	2016	2015	2014	2013	2012	2011	2010*	2009*
Elementary Schools:										
Beachwood (1988):										
Square Feet	70,445	70,445	70,445	70,445	70,445	70,445	70,445	70,445		
Capacity	786	786	786	786	786	786	786	786		
Enrollment	315	536	569	569	578	584	591	586		
Cedar Grove (1971):										
Square Feet	132,194	132,194	132,194	132,194	132,194	132,194	132,194	132,194		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment (a)	858	873	873	873	841	878	883	920		
Citta (1999):										
Square Feet	70,581	70,581	70,581	70,581	70,581	70,581	70,581	70,581		
Capacity	844	844	844	844	844	844	844	844		
Enrollment	613	666	637	637	632	653	672	670		
East Dover (1954):										
Square Feet	97,718	97,718	97,718	97,718	97,718	97,718	97,718	97,718		
Capacity	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182		
Enrollment	661	689	685	685	723	770	757	767		
Hooper Avenue (1965):										
Square Feet	89,063	89,063	89,063	89,063	89,063	89,063	89,063	89,063		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment	729	729	726	726	743	755	756	723		
North Dover (1956):										
Square Feet	70,492	70,492	70,492	70,492	70,492	70,492	70,492	70,492		
Capacity	855	855	855	855	855	855	855	855		
Enrollment	524	556	596	596	607	632	649	667		
Pine Beach (1953):										
Square Feet	58,341	58,341	58,341	58,341	58,341	58,341	58,341	58,341		
Capacity	614	614	614	614	614	614	614	614		
Enrollment	452	442	437	437	450	447	440	466		
Silver Bay (1972):										
Square Feet	112,930	112,930	112,930	112,930	112,930	112,930	112,930	112,930		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment	637	648	611	611	645	654	662	693		
South Toms River (1982):										
Square Feet	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940		
Capacity	587	587	587	587	587	587	587	587		
Enrollment	334	351	352	352	368	357	375	367		
Walnut Street (1965):										
Square Feet	87,663	87,663	87,663	87,663	87,663	87,663	87,663	87,663		
Capacity	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134		
Enrollment	787	790	757	757	799	840	843	845		
Washington Street (1960):										
Square Feet	49,890	49,890	49,890	49,890	49,890	49,890	49,890	49,890		
Capacity	533	533	533	533	533	533	533	533		
Enrollment	417	412	379	379	390	393	385	402		
West Dover (1963):										
Square Feet	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442		
Capacity	656	656	656	656	656	656	656	656		
Enrollment	383	394	393	393	390	403	407	407		

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

DISTRICT BUILDINGS	2018	2017	2016	2015	2014	2013	2012	2011	2010*	2009*
Middle Schools:										
East (1962):										
Square Feet	259,829	259,829	259,829	259,829	259,829	259,829	259,829	259,829	259,829	
Capacity	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	
Enrollment	1,456	1,368	1,349	1,349	1,426	1,450	1,467	1,512		
North (1974):										
Square Feet	178,332	178,332	178,332	178,332	178,332	178,332	178,332	178,332	178,332	
Capacity	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	
Enrollment	1,244	1,265	1,279	1,279	1,335	1,387	1,423	1,412		
South (2005):										
Square Feet	194,382	194,382	194,382	194,382	194,382	194,382	194,382	194,382	194,382	
Capacity	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	
Enrollment	1,072	1,083	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	241,420	241,420	241,420	
Capacity	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	
Enrollment	1,409	1,385	1,491	1,491	1,551	1,614	1,606	1,666		
North (1969):										
Square Feet	404,277	404,277	404,277	404,277	404,277	404,277	404,277	404,277	404,277	
Capacity	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	
Enrollment	2,101	2,212	2,366	2,366	2,381	2,295	2,210	2,311		
South (1951):										
Square Feet	172,344	172,344	172,344	172,344	172,344	172,344	172,344	172,344	172,344	
Capacity	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	
Enrollment	1,373	1,389	1,394	1,394	1,436	1,427	1,397	1,506		
Other Buildings:										
Central Administration:										
Square Feet	79,417	79,417	79,417	79,417	79,417	79,417	79,417	79,417	79,417	
Transportation Compound										
Square Feet	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	
Facilities Compound										
Square Feet	32,325	32,325	32,325	32,325	32,325	32,325	32,325	32,325	32,325	

Number of Schools at June 30, 2018:

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, 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 BY SCHOOL FACILITY
LAST TEN FISCAL YEARS
*Unaudited***

SCHOOL FACILITIES	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High Schools:										
East	\$ 295,368	\$ 363,707	\$ 269,290	\$ 348,805	\$ 313,760	\$ 320,434	\$ 286,299	\$ 257,878	\$ 332,722	\$ 50,893
North	782,576	478,281	446,710	516,070	509,932	466,800	445,221	423,319	549,600	71,788
South	216,564	261,994	197,690	264,716	221,601	233,675	250,554	179,389	232,319	62,349
Intermediate Schools:										
East	337,134	309,351	298,380	329,238	330,525	303,214	291,563	260,478	349,560	35,084
North	235,785	241,971	201,871	238,157	289,648	247,295	222,066	205,757	240,699	35,788
South	233,514	232,510	208,274	232,440	220,012	211,386	214,785	202,992	260,753	14,065
Elementary Schools:										
Beachwood	85,778	87,227	76,182	86,271	83,985	85,340	78,146	75,315	103,149	12,488
Cedar Grove	158,608	185,562	142,519	159,389	157,219	146,542	140,367	142,394	188,818	17,864
Joseph A. Citta	84,363	88,484	77,026	92,973	92,249	105,432	84,021	78,382	139,651	12,058
East Dover	133,607	134,050	112,893	121,165	109,113	109,458	103,931	105,275	136,544	9,401
Hooper Avenue	107,954	107,183	100,484	112,355	110,407	103,876	108,156	114,434	116,688	24,040
North Dover	87,831	88,108	79,927	93,573	86,996	81,429	85,764	78,720	89,940	8,082
Pine Beach	67,572	70,719	60,596	71,768	66,157	66,510	64,431	66,679	160,947	20,698
Silver Bay	132,772	152,421	137,683	148,137	126,846	127,044	120,175	117,101	86,267	10,858
South Toms River	111,061	74,338	72,114	73,395	71,257	69,387	69,950	65,135	144,249	13,815
Walnut Street	126,329	103,767	121,588	109,624	102,222	98,827	95,540	90,339	75,063	6,694
Washington Street	59,514	63,256	54,136	61,827	66,450	61,550	57,268	52,728	84,839	18,694
West Dover	72,176	67,115	62,780	68,899	68,281	76,706	69,818	64,120	104,586	15,904
Subtotal	3,328,506	3,110,044	2,720,145	3,128,802	3,026,660	2,914,905	2,788,055	2,580,435	3,396,394	440,563
Other Facilities	169,150	169,184	153,811	170,323	74,256	149,484	148,916	140,277	221,489	3,121,847
Grand Total	\$ 3,497,656	\$ 3,279,228	\$ 2,873,956	\$ 3,299,125	\$ 3,100,916	\$ 3,064,389	\$ 2,936,971	\$ 2,720,712	\$ 3,617,883	\$ 3,562,410

Source: District Records

**TOMS RIVER REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
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	150,000	100,000
Premises Environmental	2,000,000 / 6,000,000	25,000
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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2019.

Internal Control Over Financial Reporting

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

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

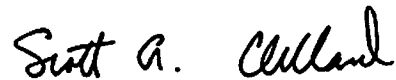
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 15, 2019
Livingston, New Jersey

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Toms River Regional School District's, in the County of Ocean, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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*. 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 major each 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, 2018.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Scott A. Clelland

Scott A. Clelland
Licensed Public School Accountant
No. 1049

Wiss & Company

WISS & COMPANY, LLP

February 15, 2019
Livingston, New Jersey

Toms River Regional School District
Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant or State Project Number	Grant Period		Balance at June 30, 2017	Adjustment	Cash Received	Budgetary Expenditures	Year ended June 30, 2018		
					From	To					Unearned Revenue	(Accounts Receivable)	Due to Grantor
General Fund:													
U.S. Department of Health and Human Services													
-Passed-Through State Department of Education													
Medicaid Assistance Program	93.778	1805N13MAP	\$ 309,882	N/A	7/1/17	6/30/18			\$ 309,882	\$ (309,882)			
Total General Fund									309,882	(309,882)			
U.S. Department of Education--Passed-Through State													
Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010A	5010A170030	2,260,044	NCLB-2940	7/1/17	7/1/18		\$ (1,373)	1,443,621	(2,250,428)	\$ (816,423)	\$ 8,243	
Title I, Part A	84.010A	5010A160030	2,075,396	NCLB-2940	7/1/16	6/1/17	\$ (781,910)	1,935	779,975				
Title II A	84.367	5367A170029	474,370	NCLB-2940	7/1/17	6/30/18			306,933	(474,370)		(167,437)	
Title II A	84.367	5367A160029	516,753	NCLB-2940	7/1/16	6/30/17	(142,493)		142,493				
Language Instruction for English Learners and Immigrant Students:													
Title III	84.365	5365A170030	46,520	NCLB-2940	7/1/17	6/30/18			36,084	(46,520)		(10,436)	
Title III	84.365	5365A160030	62,804	NCLB-2940	7/1/16	6/30/17	(11,177)		11,177				
Title III - Immigrant	84.365	5365A170030	8,779	NCLB-2940	7/1/17	6/30/18			5,624	(8,779)		(3,155)	
Title III - Immigrant	84.365	5365A160030	12,682	NCLB-2940	7/1/16	6/30/17	(9,242)		9,242				
Subtotal Language Instruction for English Learners and Immigrant Students							(20,419)		62,127	(55,299)		(13,591)	
Special Education Grant Cluster:													
I.D.E.A., Part B	84.027A	1027A170100	3,948,257	FT294001	7/1/17	6/30/18			3,403,168	(3,669,387)		(266,219)	
I.D.E.A., Part B	84.027A	1027A160100	4,021,297	FT294001	7/1/16	6/30/17	(134,252)		134,252				
I.D.E.A. Preschool	84.173A	11173A170114	123,884	PS294007	7/1/17	6/30/18			123,884	(123,884)			
I.D.E.A. Preschool	84.173A	11173A160114	124,669	PS294007	7/1/16	6/30/17	(54,958)	(83)	55,041				
Subtotal of Special Education Grant Cluster							(189,210)	(83)	3,716,345	(3,793,271)		(266,219)	
U.S. Department of Homeland Security													
-Passed-Through State Department of Law & Safety													
Federal Emergency Management Agency (FEMA)	97.036	10.3245	251,429	N/A	10/29/12	6/30/18			251,429	(251,429)			
U.S. Environmental Protection Agency													
National Clean Diesel Rebate Program	66.040	Not available	175,000	N/A	12/13/17	9/13/18				(175,000)		(175,000)	
National Clean Diesel Rebate Program	66.040	Not available	180,000	N/A	12/13/16	9/13/17	(170,000)		170,000				
U.S. Department of Education--Passed-Through													
Arts Midwest													
NEA Big Road	45.024	DCA-2016-05	14,000	N/A	7/1/16	8/31/18	(8,080)		14,000	(5,920)			
U.S. Department of Defense													
Tech Ready Navy	12.300	N00141R12241	262,199	N/A	4/12/18	4/30/19				(1,400)		(1,400)	
Total Special Revenue Fund							(1,312,112)	479	6,886,923	(7,007,117)		(1,440,070) 8,243	
U.S. Department of Agriculture--Passed-Through State													
Department of Agriculture													
Enterprise Fund:													
Child Nutrition Program Cluster:													
Food Donation Program (NC)	10.555	181N1304N1099	278,642	N/A	7/1/17	6/30/18			278,642	(230,713)	\$ 47,929		
Food Donation Program (NC)	10.555	171N1304N1099	319,363	N/A	7/1/16	6/30/17	7,408			(7,408)			
National School Lunch Program	10.555	181N1304N1099	1,461,821	N/A	7/1/17	6/30/18			1,342,229	(1,461,821)		(119,592)	
National School Lunch Program	10.555	171N1304N1099	1,478,956	N/A	7/1/16	6/30/17	(102,953)		102,953				
Healthy Hunger-Free Kids Act	10.555	181N1304N1099	43,596	N/A	7/1/17	6/30/18			40,102	(43,596)		(3,494)	
Healthy Hunger-Free Kids Act	10.555	171N1304N1099	45,238	N/A	7/1/16	6/30/17	(3,043)		3,043				
National School Breakfast Program	10.553	181N1304N1099	433,598	N/A	7/1/17	6/30/18			396,212	(433,598)		(37,386)	
National School Breakfast Program	10.553	171N1304N1099	431,326	N/A	7/1/16	6/30/17	(34,857)		34,857				
Total Child Nutrition Program Cluster							(133,445)		2,198,038	(2,177,136)	47,929	(160,472)	
U.S. Department of Homeland Security													
-Passed-Through State Department of Education													
Federal Emergency Management Agency (FEMA)	97.036	10.3245	173,632	N/A	7/1/12	6/30/18	(90,294)		92,482	(2,188)			
Total Enterprise Fund							(223,739)		2,290,520	(2,179,324)	47,929	(160,472)	
Total Federal Awards Expenditures							\$ (1,535,851)	\$ 479	\$ 9,487,325	\$ (9,496,323)	\$ 47,929	\$ (1,600,542) 8,243	
NC-000 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, 2018

State Grants/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017				Repayment of Prior Years' Balances	Balance at June 30, 2018			Notes				
			From	To	Unexpended Revenue (Accr. Receivable)	Due to Creditor	Cash Received	Budgetary Expenditures		Adjustments	(Accounts Receivable)	Unexpended Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative P. Expenditure		
State Department of Education																	
General Fund:																	
Special Education Categorical Aid	495-034-5120-089	\$ 9,263,660	7/1/17	6/30/18			\$ 8,349,558	\$	(9,263,660)					\$ (914,102)	\$ (9,263,660)		
Special Education Categorical Aid	495-034-5120-089	9,263,660	7/1/16	6/30/17	\$ (912,006)		912,006										
Evaluation Aid	495-034-5120-078	39,941,537	7/1/17	6/30/18			36,000,263		(39,941,537)					(3,941,274)	(39,941,537)		
Equalization Aid	495-034-5120-078	39,941,537	7/1/16	6/30/17	(3,932,236)		3,932,236										
Transportation Aid	495-034-5120-014	4,600,705	7/1/17	6/30/18			4,146,725		(4,600,705)					(453,980)	(4,600,705)		
Transportation Aid	495-034-5120-014	4,600,705	7/1/16	6/30/17	(452,939)		452,939										
Security Aid	495-034-5120-084	1,848,137	7/1/17	6/30/18			1,665,770		(1,848,137)					(182,367)	(1,848,137)		
Security Aid	495-034-5120-084	1,848,137	7/1/16	6/30/17	(181,949)		181,949										
Adjustment Aid	495-034-5120-035	10,421,674	7/1/17	6/30/18			9,393,304		(10,421,674)					(1,028,370)	(10,421,674)		
Adjustment Aid	495-034-5120-035	10,421,674	7/1/16	6/30/17	(1,160,578)		1,160,578										
PARCC Readiness Aid	495-034-5120-098	155,830	7/1/17	6/30/18			140,453		(155,830)					(15,377)	(155,830)		
PARCC Readiness Aid	495-034-5120-098	155,830	7/1/16	6/30/17	(15,341)		15,341										
Per Pupil Growth Aid	495-034-5120-097	155,830	7/1/17	6/30/18			140,453		(155,830)					(15,377)	(155,830)		
Per Pupil Growth Aid	495-034-5120-097	155,830	7/1/16	6/30/17	(15,341)		15,341										
Professional Learning Community Aid	495-034-5120-101	154,220	7/1/17	6/30/18			139,002		(154,220)					(15,218)	(154,220)		
Professional Learning Community Aid	495-034-5120-101	154,220	7/1/16	6/30/17	(15,183)		15,183										
Emergency Aid	495-034-5120-106	1,366,845	7/1/17	6/30/18			1,366,845		(1,366,845)					(1,366,845)	(1,366,845)		
Under Adoency Aid	495-034-5120-096	433,801	7/1/17	6/30/18			390,995		(433,801)					(42,806)	(433,801)		
Under Adoency Aid	495-034-5120-096	433,801	7/1/16	6/30/17	(42,708)		42,708										
Emergency Aid	100-034-5120-073	1,475,963	7/1/17	6/30/18					\$ (1,475,963)						1,475,963		
Emergency Aid	100-034-5120-073	1,475,963	7/1/16	6/30/17	(1,468,558)		1,468,558										
Non-Public Transportation Aid	495-034-5120-014	107,300	7/1/17	6/30/18					(107,300)						107,300		
Non-Public Transportation Aid	495-034-5120-014	38,628	7/1/16	6/30/17	(38,628)		38,628										
State Reimbursed Lead Testing	495-034-5120-104	24,317	7/1/17	6/30/18			24,317		(24,317)						24,317		
Reimbursed TPAF - Social Security	495-034-5094-003	6,765,533	7/1/17	6/30/18			6,765,533		(6,765,533)						6,765,533		
Reimbursed TPAF - Social Security	495-034-5094-003	6,765,533	7/1/16	6/30/17	(298,296)		298,296										
Reimbursed TPAF - Pension	495-034-5094-002	13,655,802	7/1/17	6/30/18			13,655,802		(13,655,802)						13,655,802		
Reimbursed TPAF - Post-Retirement Medical	495-034-5094-001	8,819,992	7/1/17	6/30/18			8,819,992		(8,819,992)						8,819,992		
Reimbursed TPAF - Post-Retirement Medical	495-034-5094-001	8,819,992	7/1/16	6/30/17	(17,236)		17,236										
Reimbursed TPAF - Long-Term Disability Insurance	495-034-5094-004	17,236	7/1/17	6/30/18					(17,236)						17,236		
Reimbursed TPAF - Long-Term Disability Insurance	495-034-5094-004	17,236	7/1/16	6/30/17													
Total General Fund					(8,533,763)		99,550,601	(99,203,373)		(1,583,263)				(6,608,871)	(99,203,373)		
New Jersey Non-Public Aid:																	
Textbook Aid	100-034-5120-064	75,871	7/1/17	6/30/18			75,871		(75,278)				\$ 593		(75,278)		
Textbook Aid	100-034-5120-064	84,731	7/1/16	6/30/17	\$	51			(51)								
Nursing Services	100-034-5120-070	134,345	7/1/17	6/30/18			134,345		(134,345)						134,345		
Technology	100-039-5120-373	51,245	7/1/17	6/30/18			51,245		(50,870)				375		(50,870)		
Technology	100-039-5120-373	34,220	7/1/16	6/30/17		50											
Technology	100-039-5120-373	47,584	7/1/16	6/30/17		24											
Security	100-034-5120-509	73,500	7/1/17	6/30/18			113,250		(107,789)				5,461		(107,789)		
Security	100-034-5120-509	38,100	7/1/16	6/30/17		1,940			(1,940)								
Non Public Auxiliary Services (Ch. 192):																	
Home Instruction	100-034-5120-067	7,919	7/1/17	6/30/18					(7,919)						7,919		
Home Instruction	100-034-5120-067	7,551	7/1/16	6/30/17	(7,551)		7,551										
Compensatory Education	100-034-5120-067	263,094	7/1/17	6/30/18			263,094		(211,037)				52,007		(211,037)		
Compensatory Education	100-034-5120-067	247,688	7/1/16	6/30/17		9,226			(9,226)								
ESL	100-034-5120-067	6,504	7/1/17	6/30/18			6,504		(4,968)				1,536		(4,968)		
ESL	100-034-5120-067	8,222	7/1/16	6/30/17		5,025			(5,025)								
Transportation	100-034-5120-068	35,360	7/1/17	6/30/18			35,360		(35,360)						35,360		
Non Public Handicapped Services (Ch. 193):																	
Supplemental Instruction	100-034-5120-066	112,600	7/1/17	6/30/18			112,600		(96,807)				15,793		(96,807)		
Supplemental Instruction	100-034-5120-066	106,719	7/1/16	6/30/17		13,418			(13,418)								
Examination and Classification	100-034-5120-066	170,001	7/1/17	6/30/18			170,001		(156,923)				13,078		(156,923)		
Examination and Classification	100-034-5120-066	193,605	7/1/16	6/30/17		18,361			(18,361)								
Corrective Speech	100-034-5120-066	72,317	7/1/17	6/30/18			69,797						2,520		72,317		
Corrective Speech	100-034-5120-066	69,797	7/1/16	6/30/17													
Total Special Revenue Fund					(7,551)		117,892	1,042,138	(881,346)		(117,892)			161,160	(881,346)		
Debt Service Fund:																	
Debt Service - Type II Aid	495-034-5120-017	349,207	7/1/17	6/30/18			349,207		(349,207)						349,207		
Debt Service - Type II Aid	495-034-5120-017	349,207	7/1/16	6/30/17			349,207		(349,207)						349,207		
State Department of Agriculture																	
Enterprise Fund:																	
State School Lunch Program (State share)	100-010-3350-023	75,459	7/1/17	6/30/18			35,398		(38,487)				(3,089)		(38,487)		
State School Lunch Program (State share)	100-010-3350-023	40,580	7/1/16	6/30/17			6,230										
Total Enterprise Fund							41,628	(38,487)		(3,089)					(38,487)		
Total State Financial Assistance Expenditures					\$ (8,547,544)	\$	117,892	\$ 102,982,576	\$ (102,477,412)	\$ (117,892)	\$	(1,594,271)	\$	-	\$ 161,160	\$ (6,608,871)	\$ (102,477,412)
State Financial Assistance Not Subject to Single Audit Determination:																	
Reimbursed TPAF - Pension	495-034-5094-002	13,655,802	7/1/17	6/30/18			13,655,802		(13,655,802)							13,655,802	
Reimbursed TPAF - Post-Retirement Medical	495-034-5094-001	8,819,992	7/1/17	6/30/18			8,819,992		(8,819,992)							8,819,992	
Reimbursed TPAF - Long-Term Disability Insurance	495-034-5094-004	17,236	7/1/17	6/30/18					(17,236)							17,236	
Reimbursed TPAF - Long-Term Disability Insurance	495-034-5094-004	17,236	7/1/16	6/30/17													
Total State Financial Assistance Subject to Single Audit Determination					\$ (8,547,544)	\$	117,892	\$ 78,489,954	(77,984,392)	\$ (117,892)	\$	(1,594,271)	\$	-	\$ 161,160	\$ (6,608,871)	\$ (77,984,392)

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

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

Year ended June 30, 2018

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance of the Toms River Regional School District (District). The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly 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 awards and state financial assistance.

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 grant accounting 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 District's basic financial statements. The basic financial statements 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 N.J.S.A. 18A:22-44.2.

Toms River Regional School District

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

Year ended June 30, 2018

3. Relationship to Basic Financial Statements (continued)

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. 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 \$182,340 for the general fund and \$208,917 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 \$241,900 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	\$ 309,882	\$ 99,327,782	\$ 99,637,664
Special Revenue Fund	6,944,604	822,541	7,767,145
Debt Service Fund		349,207	349,207
Food Service Enterprise Fund	2,179,324	38,487	2,217,811
Total award revenues	<u>\$9,433,810</u>	<u>\$ 100,538,017</u>	<u>\$ 109,971,827</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

Year ended June 30, 2018

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, 2018.

The post retirement pension, medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2018 amounted to \$22,493,020. Since on-behalf post retirement pension, disability insurance 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 required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Adjustments

The adjustments presented on schedule K-3 represent the cancellation of prior year accounts receivable and an overpayment received by the District which was utilized to offset current year expenditures.

7. Indirect Costs

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

Toms River Regional School District
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2018

Part I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to the basic financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes _____ X _____ No

Identification of federal major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027	H027A170100	Special Education Cluster:
84.173	H173A170114	I.D.E.A. Part B, Basic Regular
		I.D.E.A. Preschool

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

_____ \$750,000 _____

Auditee qualified as low-risk auditee?

_____ X _____ Yes _____ No

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

Year ended June 30, 2018

Part I – Summary of Auditor’s Results (continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	General State Aid Cluster:
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-101	Professional Learning Community Aid
495-034-5120-106	Emergency Aid
	Other State Programs:
495-034-5094-003	Reimbursed TPAF - Social Security
495-034-5120-014	Transportation Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$2,339,532

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

Toms River Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2018

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Toms River Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2018

**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 Year Audit Findings
Year ended June 30, 2018

No prior year findings were noted.