



**TOMS RIVER REGIONAL SCHOOL DISTRICT
COUNTY OF OCEAN**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance.....	2
Official Bonds	2
Tuition Charges.....	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable.....	3
Classification of Expenditures.....	3
• General Classifications	
• Administrative Classifications	
Board Secretary's Records.....	3
Treasurer's Records	3
Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act (ESSA).....	3
Other Special Federal and/or State Projects	3
TPAF Reimbursement	3
Non-Public State Aid	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	4
School Food Service.....	4
Student Body Activities	5
Application for State School Aid.....	5
Pupil Transportation	6
Facilities and Capital Assets	6
Follow-up on Prior Year's Findings.....	6
Acknowledgment.....	6
Schedule of Meal Count Activity	N/A
Net Cash Resource Schedule	N/A
Schedule of Audited Enrollments.....	7
Excess Surplus Calculation	10
Audit Recommendations Summary	13



INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Toms River Regional School District, County of Ocean as of and for the year ended June 30, 2018, and have issued our report thereon dated February 15, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of the Toms River Regional School District's management, Board of Education members, others within the entity and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Scott A. Clelland
Licensed Public School Accountant

No. 1049

WISS & COMPANY, LLP

Livingston, New Jersey
February 15, 2019

**TOMS RIVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District's CAFR.

Official Bonds *N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13*

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Matt K. Varley	Treasurer of School Monies	\$ 725,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account. All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premiums withholding due to the general fund.

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate banks accounts for net payroll and withholdings.

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

**TOMS RIVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures were tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records and Treasurer's Records

Our review of the financial and accounting records maintained by the Board Secretary and Treasurer disclosed no exceptions.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the Comprehensive Annual Financial Report (CAFR). This section of the CAFR documents the financial position pertaining to the projects under Title I of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the CAFR.

Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for indicated no areas of noncompliance and/or questionable costs.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teacher's Pension and Annuity Fund. No exceptions were noted.

**TOMS RIVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Non-Public State Aid

Our review of non-public state aid did not disclose any exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is currently \$19,000.

The District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Procedures were performed on a test basis, to indicate if any individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*, as amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

School Food Service

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the B-4 through B-6 section of the CAFR.

**TOMS RIVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

During our procedures, we identified the following:

Finding 2018-001:

During our testing of inventory records on food supply items, it was noted that individual valuation for multiple invoices was not properly supported by vendor invoices. Certain items were recorded in District inventory records at either a higher or lower valuation than what was noted on vendor invoices for those same items.

Recommendation:

We suggest the District maintain better records of all of its food service inventory on hand and ensure inventory is being valued at the appropriate costs based on supporting evidence.

Student Body Activities

During our audit of the student activity funds, we noted the following opportunities for improvement:

Finding 2018-002:

Cash disbursement transactions were not in compliance with the District's Standard Operating Procedures.

Certain items were purchased with student activity funds from High School South and Intermediate North School that we believe would be more appropriately purchased through the District's standard purchasing process.

Lastly, the District paid sales taxes on certain disbursement transactions. New Jersey local school districts are political subdivisions of the State of New Jersey and their purchases, except purchases of energy, are exempt from New Jersey sales and use tax, pursuant to Section 9(a)(1) of the New Jersey Sales and Use Tax Act.

Recommendation:

We suggest the District continue to enforce the guidance set forth in the District's Standard Operating Procedures Manual and continue to perform periodic reviews of the schools' cash receipts and disbursements ledgers to ensure adherence to the District's policies and procedures.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified as presented in the Schedule of Audited Enrollments, with the exceptions as identified in the Schedule of Audited Enrollments. The results of our procedures are presented in the Schedule of Audited Enrollments.

**TOMS RIVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2017-18 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments, with minor differences identified.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

There were no transactions with SDA during the 2018 fiscal year and therefore this section is not applicable.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2018 fiscal year.

Acknowledgment

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

SCHEDULE OF AUDITED ENROLLMENTS

**TOMS RIVER REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	2018-2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	23.0	-	23.0	-	-	-	21.0	-	21	-	-	-	-	-	-	-
Full Day Preschool	27.0	-	27.0	-	-	-	27.0	-	27	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	964.0	-	964.0	-	-	-	45.0	-	45.0	-	-	-	-	-	-	-
One	942.0	-	942.0	-	-	-	65.0	-	65.0	-	-	-	-	-	-	-
Two	958.0	-	956.0	-	-	-	43.0	-	43.0	-	-	-	-	-	-	-
Three	920.0	-	920.0	-	-	-	46.0	-	46.0	-	-	-	-	-	-	-
Four	879.0	-	879.0	-	-	-	57.0	-	57.0	-	-	-	-	-	-	-
Five	1,037.0	-	1,037.0	-	-	-	60.0	-	60.0	-	-	-	-	-	-	-
Six	1,058.0	-	1,058.0	-	-	-	283.0	-	283.0	-	-	-	-	-	-	-
Seven	1,036.0	-	1,036.0	-	-	-	355.0	-	355.0	-	-	-	-	-	-	-
Eight	1,098.0	-	1,098.0	-	-	-	307.0	-	307.0	-	-	-	-	-	-	-
Nine	981.0	-	991.0	-	-	-	267.0	-	267.0	-	-	-	-	-	-	-
Ten	1,058.0	-	1,058.0	-	-	-	317.0	-	317.0	-	-	-	-	-	-	-
Eleven	949.0	111.0	949.0	111.0	-	-	261.0	19.0	261.0	19.0	-	-	-	-	-	-
Twelve	961.0	103.0	961.0	103.0	-	-	241.0	40.0	241.0	40.0	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	12,997.0	214	12,997.0	214.0	-	-	2,395.0	59.0	2,395.0	59.0	-	-	-	-	-	-
Special Ed - Elementary	1,062.0	-	1,062.0	-	-	-	15.0	-	15.0	-	-	-	18.0	13.0	13.0	-
Special Ed - Middle School	579.0	-	579.0	-	-	-	9.0	-	9.0	-	-	-	20.0	14.0	14.0	-
Special Ed - High School	596.0	113.0	595.0	114.0	1.0	(1.0)	6.0	-	6.0	-	-	-	44.5	36.0	36.0	-
Subtotal	2,237.0	113.0	2,236.0	114.0	1.0	(1.0)	30.0	-	30.0	-	-	-	82.5	63.0	63.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	15,234.0	327.0	15,233.0	328.0	1.0	(1.0)	2,425.0	59.0	2,425.0	59.0	-	-	82.5	63.0	63.0	-
Percentage Error					0.01%	-0.31%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**TOMS RIVER REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	233.0	233.0	-	16	16	-	33.0	33.0	-	14.0	14.0	-
One	245.0	245.0	-	17	15	2	21.0	21.0	-	13.0	13.0	-
Two	256.0	256.0	-	17	12	5	30.0	30.0	-	15.0	15.0	-
Three	230.0	230.0	-	16	12	4	18.0	18.0	-	13.0	13.0	-
Four	245.0	245.0	-	17	17	-	9.0	9.0	-	6.0	6.0	-
Five	266.0	266.0	-	18	16	2	4.0	4.0	-	4.0	4.0	-
Six	259.0	259.0	-	18	17	1	4.0	4.0	-	3.0	3.0	-
Seven	228.0	228.0	-	15	14	1	3.0	3.0	-	2.0	2.0	-
Eight	198.0	198.0	-	14	14	-	4.0	4.0	-	3.0	3.0	-
Nine	209.0	209.0	-	14	14	-	4.0	4.0	-	3.0	3.0	-
Ten	190.0	190.0	-	13	10	3	2.0	2.0	-	-	-	-
Eleven	168.0	168.0	-	11	10	1	1.0	1.0	-	1.0	1.0	-
Twelve	150.0	150.0	-	10	10	-	4.0	4.0	-	2.0	2.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,875.0	2,875.0	-	196	177	19	137.0	137.0	-	79.0	79.0	-
Special Ed - Elementary	404.0	404.0	-	28	28	-	5.0	5.0	-	3.0	3.0	-
Special Ed - Middle	223.0	223.0	-	15	15	-	-	-	-	-	-	-
Special Ed - High	205.5	205.5	-	14	14	-	1.0	1.0	-	-	-	-
Subtotal	832.5	832.50	-	57	57	-	6.0	6.0	-	3.0	3.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,707.5	3,707.5	-	253	234	19	143.0	143.0	-	82.0	82.0	-
Percentage Error			0.00%			7.52%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	4,959.0	4,959.0	-	4,959.0	4,959.0	-
Reg -SpEd, col. 4	820.0	820.0	-	35.0	35.0	-
Transported - AIL, col.2 & Non-Public, col. 3	892.0	892.0	-	38.0	38.0	-
Special Ed Spec, col. 6	664.0	664.0	-	28.0	28.0	-
Totals	7,335.0	7,335.0	-	5,060.0	5,060.0	-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Reg Avg (Mileage) = Regular Including Grade PK students (Part A)	4.2	4.1
Reg Avg (Mileage) = Regular Excluding Grade PK students (Part B)	4.2	4.2
Spec Avg = Special Ed with Special Needs	6.5	6.5

TOMS RIVER REGIONAL SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	17.0	17.0	-	9.0	9.0	-
One	13.0	13.0	-	9.0	9.0	-
Two	3.0	3.0	-	1.0	1.0	-
Three	10.0	10.0	-	5.0	5.0	-
Four	5.0	5.0	-	4.0	4.0	-
Five	2.0	2.0	-	1.0	1.0	-
Six	1.0	1.0	-	1.0	1.0	-
Seven	3.0	3.0	-	1.0	1.0	-
Eight	2.0	2.0	-	1.0	1.0	-
Nine	3.0	3.0	-	3.0	3.0	-
Ten	4.0	4.0	-	3.0	3.0	-
Eleven	8.0	8.0	-	4.0	4.0	-
Twelve	3.5	3.5	-	2.0	2.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>74.5</u>	<u>74.5</u>	<u>-</u>	<u>44.0</u>	<u>44.0</u>	<u>-</u>
Special Ed - Elementary	1.0	1.0	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>75.5</u>	<u>75.5</u>	<u>-</u>	<u>44.0</u>	<u>44.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

TOMS RIVER REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2018

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 255,734,154</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension, PRM, LTD and Social Security	<u>\$ 29,258,553</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 2,845,573</u> (B2b)
Adjusted 2017-18 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 223,630,028</u> (B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	<u>\$ 4,472,601</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 4,472,601</u> (B5)
Increased by: Allowable Adjustment*	<u>\$ 833,263</u> (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	<u>\$ 5,305,864</u> (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-18 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 24,970,687</u> (C)
Decreased by:	
Assigned Year End Encumbrances	<u>\$ 3,003,551</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 1,573,524</u> (C3)
Other Restricted Fund Balances****	<u>\$ 13,112,783</u> (C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	<u>\$ 226,476</u> (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	<u>\$ 1,157,955</u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 5,896,398</u> (U1)

TOMS RIVER REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2018

SECTION 3

Restricted Fund Balance - Excess Surplus ***

[(U1)-(M)] IF NEGATIVE ENTER -0-

\$ 590,534 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's
Expenditures **

\$ 1,573,524 (C3)

Reserved Excess Surplus *** [(E)]

\$ 590,534 (E)

Total Excess Surplus [(C3)+(E)]

\$ 2,164,058 (D)

Detail of Allowable Adjustments

Impact Aid

\$ - (H)

Sales & Lease-back

\$ - (I)

Extraordinary Aid

\$ 725,963 (J1)

Additional Nonpublic School Transportation Aid

\$ 107,300 (J2)

Current Year School Bus Advertising Revenue Recognized

\$ - (J3)

Family Crisis Transportation Aid

\$ - (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]

\$ 833,263 (K)

** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2018 CAFR and must agree to Audit Summary Line 90030.

Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District

**** requests should be submitted to the Division of Administration and Finance prior to September 30.

TOMS RIVER REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2018

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	5,206,098
Emergency reserve	\$	709,865
Maintenance reserve	\$	7,196,820
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset-current year	\$	-
School Bus Advertising 50% Fuel Offset-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government mandated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
 Total Other Restricted Fund Balance	\$	13,112,783 (C4)

Toms River Regional School District
Audit Recommendations Summary

June 30, 2018

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

Finding 2018-001:

We suggest the District maintain better records of all of its food service inventory on hand and ensure inventory is being valued at the appropriate costs based on supporting evidence.

5. Student Body Activities

Finding 2018-002:

We suggest the District continue to enforce the guidance set forth in the District's Standard Operating Procedures Manual and continue to perform periodic reviews of the schools' cash receipts and disbursements ledgers to ensure adherence to the District's policies and procedures.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

Corrective action has been taken on all prior year findings.