



# 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, 2019

**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, 2019

Prepared by

Toms River Regional School District  
Business Administrator's Office

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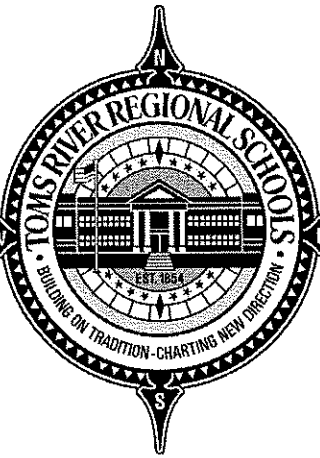
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## Introductory Section





# TOMS RIVER REGIONAL SCHOOLS

1144 Hooper Avenue, Toms River, NJ 08753  
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December 16, 2019

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

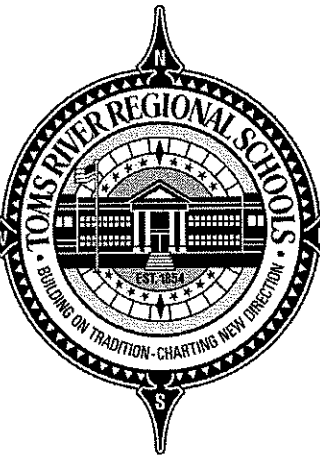
Dear Board Members and constituents:

The comprehensive annual financial report of the Toms River Regional School District for the year ended June 30, 2019 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, 2019, 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.

## **1. REPORTING ENTITY AND ITS SERVICES**

The Toms River School District is an independent reporting entity within the criteria adopted by the GASB. 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



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full range of educational services for students in grade levels Pre-K through 12, including programs for students with special needs. The district has 18 schools (3 high schools, 3 intermediate schools and 12 elementary schools) plus one early learning center satellite location on the first floor of the administration building at 1144 Hooper Avenue, Toms River. The average age of the original high school buildings is over 51 years old, of the original intermediate school buildings is over 37 years old and of the original elementary school buildings is over 48 years old. On January 22, 2019, the Toms River Regional Schools community approved a referendum for \$147 million to address many capital needs, given the age and condition of the existing school buildings.

The District's average daily enrollment for 2018-2019 school year decreased by 145.0 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.

Fiscal Year	Average Daily Enrollment		
	Student Enrollment	# Students (+/-)	Percent Change
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	15,399.5	-203.3	-0.0130%
2018-19 (as submitted)	15,254.5	-145.0	-0.0094%

Enrollments are projected to remain stable and relatively flat over the next 3 to 5 years.

## 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 several hundred 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 2019-2020 School Budget was approved by the Board of Education in April 2019 and the budget as presented provides for a thorough and efficient education. The overall tax levy (general and debt service levy) increase with the 2019-20 budget was 2.0% or \$3.2 million, although the tax increases for the average home in the four towns in the regional district ranged from 1.4% to 1.8%. It should be noted that given the Department of Education's allocation of taxes between the constituent municipalities in the regional district



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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.

With the approval of P.L. 2018, Chapter 67, the district now expects to cumulatively lose over \$90 million in State Aid (depending on the calculations presented by NJASBO, or the calculation presented by the Education Law Center) over the phase-in period (7 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 loss of State Aid, including through legislative channels and a joint litigation with other districts, municipalities and individuals based on the glaring and known material flaws in the State 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 \$6,539,432 as of June 30, 2019. 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 implemented 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.

6 – 8

English Language Arts at the intermediate level continues to be a blend of our independent reading/conferencing 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 conferencing, as well as on-line, differentiated, informational text reading instruction using Achieve3000, both

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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, and teachers organized students into small groups to facilitate a centers rotation model. 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' emerging conferring skills will require ongoing professional development for continued success. This year, we will continue to build libraries and train teachers in conferring, as well as with intervention strategies.

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. We offer a year long, basic skills reading class at grade 9 that uses the IRLA (Independent Reading Level Assessment) to support increased student achievement in reading. Student reading levels are also assessed through the IRLA in grades 10 and 11 in our general studies English classes. As we continue to implement independent reading, we also are moving toward giving students more time to write in class on a consistent basis in order for students to develop the stamina needed for voice in both personal and academic writing. There is a focus on helping teachers to use a gradual release model, ensuring that there is a min-lesson, coupled with regular guided and independent practice as well as consistent time for independent reading and writing in class. Teachers are encouraged to work with smaller groups of students as necessary to create more student centered classrooms and to ensure effective tier 1 instruction.

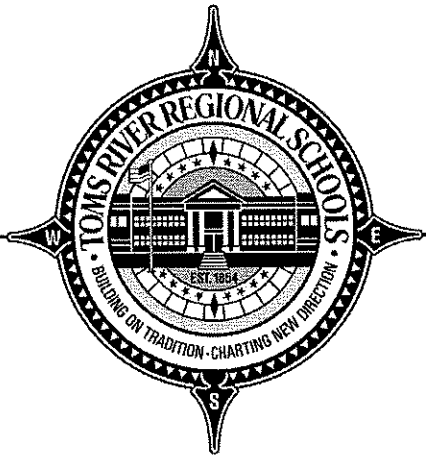
## **Mathematics:**

K – 5

Teachers implemented 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. Curriculum committees built standards-based unit plans reflecting components suggested by NJPSA committees including updated scopes and sequences. 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



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provides targeted instruction using one-to-one conferencing and mini, small group instruction to grow these skills.

9 – 12

Our new Pre-Calculus series has been implemented and teachers are currently infusing the online components into both their instruction, assessment and homework assignments on a daily basis. There is continued purchase of the TI 84 graphing calculator every year - which is necessary to expose all students to the standardized online testing tools. Each of the high schools have entered into a partnership with OCC and are offering Dual Enrollment courses for the 2019-20 school year. Pre-Calculus honors classes and both of our Computer Science courses (honors and college prep) now offer students the opportunity to earn dual credit while in high school. Our teachers also are active on Edulastic - an on-line web based assessment tool which provides immediate and accurate feedback regarding student performance.

### **Science:**

K – 5

Science unit and lesson expansion work that took place during the summer of 2018 was 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 piloting several online textbooks for anticipated adoption during the 2020-2021 school year. Students will continue to 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 expand usage of 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 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. The current biology textbook is no longer supported on line and has a copyright of 2010. If possible, the adoption of a new biology textbook would compliment our updating of curricular materials. Currently we have online access for AP biology, chemistry, physics, and environmental science.



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Our honors and college prep courses have online access in environmental earth, chemistry, physics and forensics. Additionally, the current environmental science class (elective) is working with a 16 year old copyright. A replacement of that text would be beneficial.

Revision of the Environmental Science (elective) course to more closely align to the NJSLs and to better prepare students who elect to take AP Environmental in their high school career is planned. 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 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.



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### **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.

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 third year of development. A new course for year three 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

Curriculum committees in the high school World Language Department continue to 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 B, and Heritage 1 and 2. Teachers at all levels have begun to purchase independent reading materials in the target language that



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represent both culturally relevant and high-interest young adult literature. Additionally, teachers are developing students' connections to the "why" of learning a new language. Through journaling, blogging, and vlogging students seek out opportunities to use language outside of the classroom and share their experiences through a choice of activities.

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, benchmarks, performance assessments and rubrics in all areas will be reviewed and modified to ensure that they are aligned to the curriculum, standards and Can Do statements.

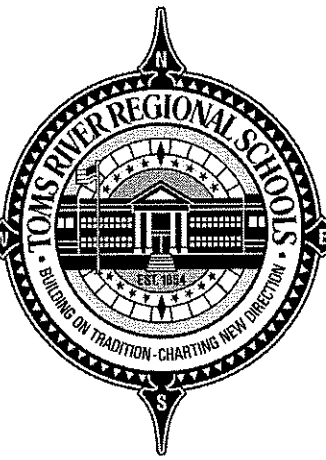
Lastly, graduating seniors who speak more than one language will have the opportunity to take a language proficiency test to earn the New Jersey Department of Education State Seal of Biliteracy. Students at all three high schools will be assessed in January through the AAPPL online assessment or the OPI/WPT test, and will need to score an Intermediate Mid in all areas of the test, including speaking, presentational reading, and interpretive listening and reading.

World Language teachers in grades 6 through 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. We have purchased *Que Tal* magazine, which is a monthly magazine subscription packed with short articles, infographics, quizzes, interviews and cultural features. The online component offers an unlimited archive of all issues of the magazine, as well as listening comprehension activities, videos, and news articles that can be differentiated by language proficiency level. Teachers are also working with the Special Education department to develop appropriate modifications for students with IEPs/504s who have difficulty with literacy and language.

Elementary World Language teachers worked to revise curriculum documents (including pacing guides) during the 2018-19 school year. This year, J.A. Citta is piloting a second grade world language class, and the department teachers will begin writing an expanded second grade curriculum this year. Additionally, we have purchased licenses to Rockalingua.com. Rockalingua is an online collection of videos, interactive games, and authentic resources designed to make learning Spanish a high interest and engaging process for a variety of learning styles.

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 and Sheltered English Instruction training will begin this year.





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### **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.

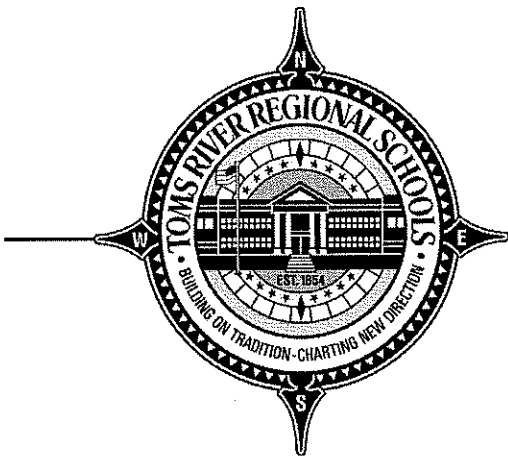
### **21st Century Life Skills**

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.

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



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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.

### Special Education

The Learning and Language Disabilities classes at the elementary and intermediate level have continued to use Systems 44 and Read 180 as a supplemental reading program. At the High School level System 44 and Read 180 is used with our more significant special education students. This school year, the district has piloted the updated Read 180 Universal program in three elementary classes, one intermediate class and one high school class. The students are particularly enjoying "modern reading" material and sentence starters for reading responses.

In addition our teachers use Sonday Systems to remediate students and provide support during the reading block. Sonday Systems is an Orton Gillingham approach to sound and word decoding. This supplemental program offers an additional foundation for our students who struggle with reading. Teachers have other resources such as Wilson Reading and Explode the Code for direct phonemic awareness and phonics instruction.

LLD teachers have been working beside general education teachers to implement *Ready Mathematics*. They have been following a pacing guide to ensure grade level skills are covered. *iReady*, which is an adaptive assessment tool that provides data for Individual Education Plans and placement decisions.

Moby Max has been utilized across all academic areas. Teachers have been working on inputting their student IEP goals into the program for data tracking.

Multiple Disability classrooms on all grade levels use a Unique curriculum that spans the grade levels and provides for data collection and remediation in all subject areas. The program follows the student through the grade levels and supports instruction in all areas.

The Multiple Disability program is geared for higher-functioning students with social-emotional needs. These students are following the general education curriculum with varied supports. SiLas is an innovative social-emotional curriculum infused within the students day. Students are creating fun animated social stories. The Behavioral Disabilities program utilizes the general education curriculum in combination of several of the supplemental programs listed above, such as, Systems 44, Read 180, Spire, and Reading A-Z. SiLas and MobyMax are supports for this program, as well.

Students with Intellectual Disabilities follow the PCI Reading Program, along with varied supplementary reading programs, such as Reading Milestones and Reading A-Z. The math supplemental program consists of Number Worlds and Touch Math. Moby Max is also being utilized within the program for individual goal setting.



# TOMS RIVER REGIONAL SCHOOLS

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

In our Autism rooms, teachers utilize the continuum approach for all students in self-contained autism classrooms. Preschool will utilize both the Verbal Behavior Milestones Assessment and Placement Program and Assessment of Basic Language and Learning Styles to score and track developmental milestones. Additional programs utilized within the preschool autism classrooms include Boardmaker and Pics for PECS to develop communication systems for the non-verbal learners. Within the elementary self-contained autism classrooms, the students are assessed using the Assessment of Basic Language and Learning Styles assessment to determine instructional goals.

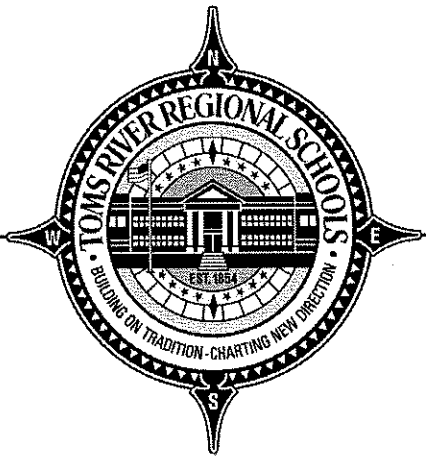
Additional supplemental programs utilized with general education include Edmark Reading, Milestones, iReady, Moby Max, Touch Math, Silas, and Unique. Within the intermediate and high school self-contained classrooms, the teachers assess the students in Assessment of Functional Living Skills. Additional academic programs include Edmark Reading, Milestones, Moby Max, Menu Math, Silas and ALLS reading program.

Preschool general education classes utilize Creative Curriculum with Teaching Strategies GOLD. GOLD focuses on Social-Emotional Learning, Physical Development, Language Development, Cognitive, Literacy, Mathematics, Science and Technology, Social Studies, The Arts, and English Language Acquisition. Special education students are utilizing the social-emotional program Stanford Harmony, a general education initiative in special education classes, or inclusively participating with general education peers during class meeting times.

#### **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.



## TOMS RIVER REGIONAL SCHOOLS

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### 5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the District. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets that are approved for capital improvements are accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. The legal level of budgetary control is at the object code level of each budget line-item.

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, 2019.

### 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.

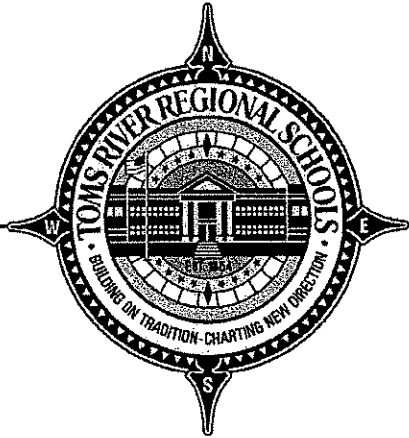
### 7. FINANCIAL INFORMATION AT FISCAL YEAR-END

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, 2018 Comprehensive Annual Financial Report (the fifth year in row the district has achieved this award).



## TOMS RIVER REGIONAL SCHOOLS

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### 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,

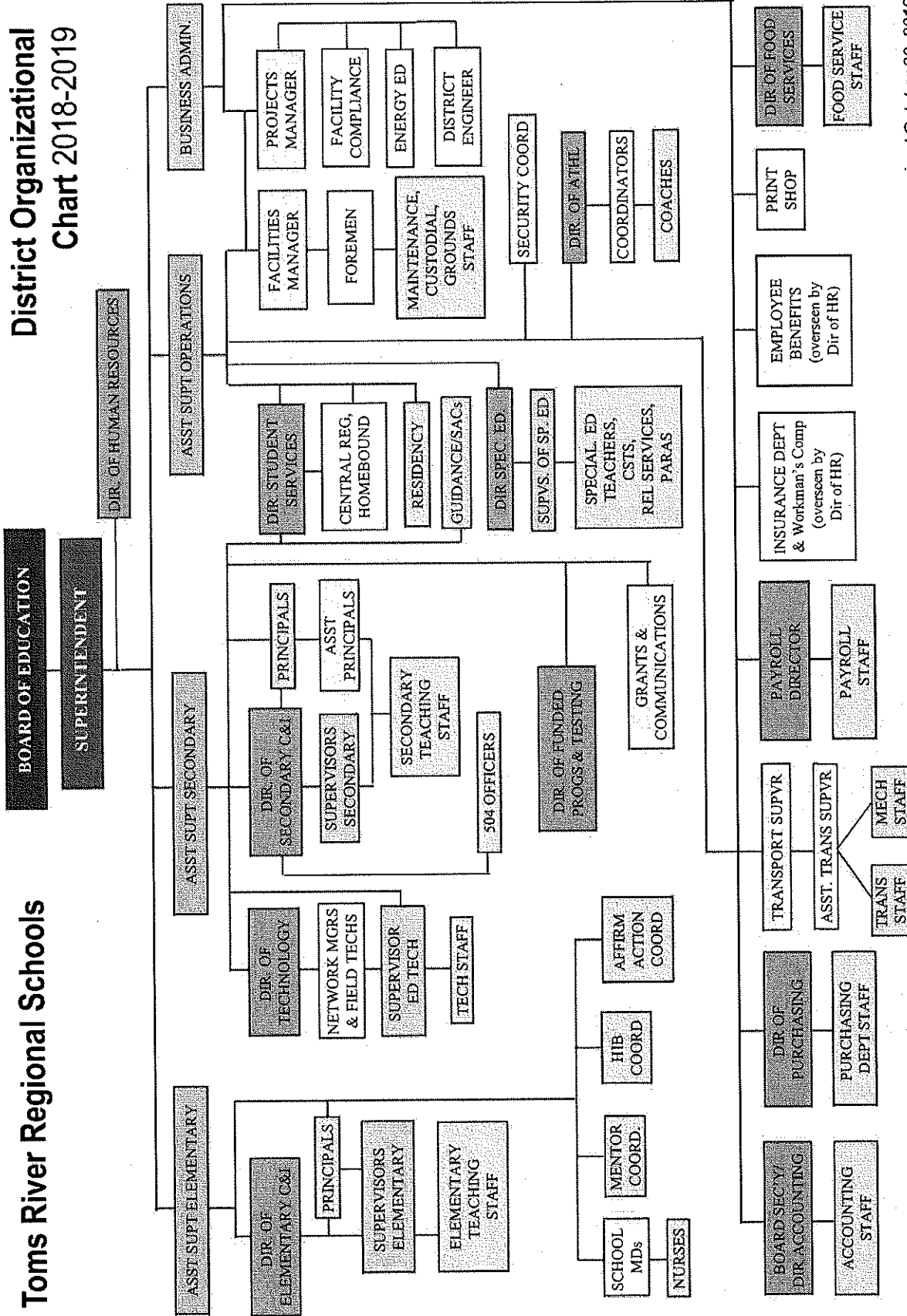
David Healy, Superintendent

William Doering, Business Administrator

Wendy L. Saxton, Board Secretary

# Toms River Regional Schools

# District Organizational Chart 2018-2019



revised October 30, 2019

Toms River Regional School District  
Toms River, New Jersey

Roster of Officials

June 30, 2019

	<u>Term Expires</u>
<b><u>Members of the Board of Education</u></b>	
Joe Nardini, President	2021
Russell Corby, Vice President	2019
Janet Bell	2019
Michael Horgan	2020
Jeniffer Howe	2021
Daniel Leonard	2019
Anna Polozzo	2021
Ginny Rhine	2020
Michele Williams	2020

**Other Officials**

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, 2019

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





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

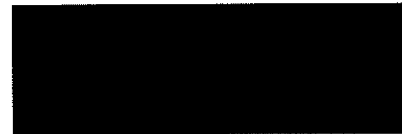
## **Toms River Regional School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



**Tom Wohlleber, CSRM**  
President



**David J. Lewis**  
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, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of 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 December 16, 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 and compliance.



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

Livingston, New Jersey  
December 16, 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, 2019

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, 2019. 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 2019 are as follows:

- Total net position of the governmental activities and business-type activities is \$11,137,520 at June 30, 2019. 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 2019 into the restricted reserves for maintenance and capital in the amounts of \$2,000,000 and \$1,000,000, respectively.
- The District followed GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the 2019 fiscal year resulting in the recording of revenue and expense in the amount of \$21,276,641 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 33 and 34 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 35 through 37 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 38 through 40 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 41 and 42 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 43 to 88 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, 2019 and 2018:

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

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 42,086,272	\$ 2,706,894	\$ 44,793,166	\$ 41,131,530	\$ 2,875,728	\$ 44,007,258
Capital assets, net	152,625,944	9,150,912	161,776,856	152,117,168	8,997,956	161,115,124
Total assets	194,712,216	11,857,806	206,570,022	193,248,698	11,873,684	205,122,382
<b>Deferred outflows of resources:</b>						
Deferred loss on refunding of debt	2,160,710		2,160,710	2,515,899		2,515,899
Pension deferrals	17,915,420		17,915,420	25,858,024		25,858,024
Total deferred outflows of resources	20,076,130		20,076,130	28,373,923		28,373,923
<b>Liabilities:</b>						
Current liabilities	36,752,984	341,156	37,094,140	31,534,834	391,039	31,925,873
Net pension liability	73,623,183		73,623,183	90,355,186		90,355,186
Long-term liabilities	74,351,599	87,464	74,439,063	80,092,371	88,167	80,180,538
Total liabilities	184,727,766	428,620	185,156,386	201,982,391	479,206	202,461,597
<b>Deferred inflow of resources:</b>						
Pension deferrals	30,352,246		30,352,246	22,343,963		22,343,963
<b>Net position:</b>						
Net investment in capital assets	102,262,904	9,150,912	111,413,816	99,813,914	8,997,956	108,811,870
<b>Restricted for:</b>						
Excess surplus-current year	1,052,319		947,919	590,534		590,534
Excess surplus-prior year	590,534		590,534	1,573,524		1,573,524
Capital reserve	5,827,261		5,827,261	5,206,098		5,206,098
Maintenance reserve	6,608,020		6,608,020	7,196,820		7,196,820
Emergency reserve	712,315		712,315	709,865		709,865
Capital projects	945,097		945,097	143,314		143,314
Unrestricted (deficit)	(118,290,116)	2,278,274	(116,011,842)	(117,937,802)	2,396,522	(115,541,280)
Total net position	\$ (291,666)	\$ 11,429,186	\$ 11,137,520	\$ (2,703,733)	\$ 11,394,478	\$ 8,690,745

Unrestricted deficit increased \$470,562 relating to governmental activities as compared to the prior year, as a result of the current year operations and increase in net investment in capital assets as well as excess surplus.

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 \$315,391 mainly due to an increase in the current year excess surplus, which was the result of decreases in expenses exceeding the decreases in revenues.

Current and other assets increased mainly due to increases in accounts receivable and advance deposits, offset by decreases in cash and cash equivalents.

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

Long-term liabilities decreased mainly due to the decrease in bonds and notes payable, as a result of current year principal payments. The District did not issue any new bonds or notes in the current year.

The net pension liability recorded as of June 30, 2019 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*. The net decrease in the net pension liability and related deferrals is the result of changes in the allocation as determined by the State of New Jersey Division of Pension and Benefits as well as the result of actual investment performance during the year and a change in assumptions as compared to the prior year.

**Government-wide activities.** The key elements of the District's changes in net position for the years ended June 30, 2019 and 2018 are as follows:

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

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 1,348,580	\$ 4,593,010	\$ 5,941,590	\$ 1,401,745	\$ 4,636,184	\$ 6,037,929
Operating grants and contributions	8,380,207	2,394,956	10,775,163	7,889,330	2,217,811	10,107,141
Capital grants and contributions	331,703		331,703	241,092		241,092
<b>General Revenues:</b>						
Property Taxes	161,308,045		161,308,045	157,529,469		157,529,469
Federal and state aid not restricted to specific purposes	131,218,181		131,218,181	168,480,782		168,480,782
Earning on Investments	466,884	1,279	468,163	161,918	955	162,873
Miscellaneous	1,657,116		1,657,116	1,537,832		1,537,832
<b>Total Revenues</b>	<b>304,710,716</b>	<b>6,989,245</b>	<b>311,699,961</b>	<b>337,242,168</b>	<b>6,854,950</b>	<b>344,097,118</b>
<b>Expenses:</b>						
Instruction and support services	301,106,938	6,842,257	307,949,195	337,238,325	6,721,452	343,959,777
Special schools	63,870		63,870	64,173		64,173
Cost of issuance				121,402		121,402
Interest on long-term debt	1,248,938		1,248,938	2,819,562		2,819,562
<b>Total expenses</b>	<b>302,419,746</b>	<b>6,842,257</b>	<b>309,262,003</b>	<b>340,243,462</b>	<b>6,721,452</b>	<b>346,964,914</b>
<b>Change in net position before transfers and extraordinary item</b>	<b>2,290,970</b>	<b>146,988</b>	<b>2,437,958</b>	<b>(3,001,294)</b>	<b>133,498</b>	<b>(2,867,796)</b>
Transfers	112,280	(112,280)	-	108,280	(108,280)	-
Extraordinary item	8,817		8,817	7,616		7,616
<b>Change in Net Position</b>	<b>2,412,067</b>	<b>34,708</b>	<b>2,446,775</b>	<b>(2,885,398)</b>	<b>25,218</b>	<b>(2,860,180)</b>
Net Position-beginning	(2,703,733)	11,394,478	8,690,745	181,665	11,369,260	11,550,925
<b>Net Position-ending</b>	<b>\$ (291,666)</b>	<b>\$ 11,429,186</b>	<b>\$ 11,137,520</b>	<b>\$ (2,703,733)</b>	<b>\$ 11,394,478</b>	<b>\$ 8,690,745</b>

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

Federal and State aid not restricted to specific purposes decreased as a result of the impact of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record approximately \$13.1 million in revenues, which were contributions on-behalf of the District by the State for post-employment benefits. This was a decrease from the prior year of approximately \$13.2 million. The majority of remainder of the difference was a result of the decrease in the on-behalf TPAF pension, disability, and medical contributions required under GASB Statement Nos. 68 and 71.

Instruction and support services expenses decreased as a result of approximately \$13.1 million in expenditures reported for contributions made on-behalf of the District by the State for post-employment benefits due to the impact of GASB 75, which was a reduction of approximately \$13.2 million from the prior year. The majority of remainder of the difference was a result of the 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 decreased from the prior year as a result of decreased overall debt, therefore, the related interest has decreased.

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 53 percent of revenues for governmental activities in the Toms River Regional School District for fiscal year 2019. Federal, state, and local grants and aid accounted for another 46 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 \$302,696,047. 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 66 percent of total revenue. This includes revenue recognized in the amount of \$2,011,197, or 44 percent, for amounts paid by patrons for daily food service. Day care tuition revenue was \$738,679, or 16 percent, of operating revenue and represents payments for daycare tuition. Rental income for the Corporate Center's rental agreements was \$949,853, or 21 percent, of operating revenue that was recognized from renting office suites at the property located at 1144 Hooper Avenue, Toms River, N.J. The Bennett Complex and RWJ Barnabas Health Arena recognized \$385,749 and \$506,483, respectively, or 8 and 11 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 \$2,394,956 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 \$19,519,139, including funds restricted for capital, maintenance and emergency reserves in the amount of \$13,147,596. \$1,052,319 has been generated in current year excess surplus. \$590,534 of prior year excess surplus has been designated for subsequent year's expenditures. The remaining amount of \$1,409,466 represents the balance designated for subsequent year's expenditures and \$1,541,665 which is additional assigned fund balance designated for subsequent year's expenditures. \$2,063,818 was designated for encumbrances offset by a general fund unassigned deficit of \$183,859 (unassigned fund balance netted with the delayed state aid payments) resulting in the \$1,777,559 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 \$577,488 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 \$3,898,443. The most significant increase was due to the federal Tech Ready Navy Grant awarded in the prior year, of which \$294,420 was expended in the current year.

*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 prior fiscal year, the District issued \$16,710,000 in ESIP refunding bonds and expended \$4,862,640 in the current year for architectural and engineering services and construction 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 \$295.

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, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<b>Revenues</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2018</b>	<b>Percent of Increase</b>
Local sources	\$ 164,873,635	59.9%	\$ 3,954,851	2.5%
State sources	102,871,633	37.3	2,372,103	2.4
Federal sources	7,845,409	2.8	590,923	8.1
<b>Total</b>	<b>\$ 275,590,677</b>	<b>100.0%</b>	<b>\$ 6,932,187</b>	<b>2.6%</b>

Local sources increased primarily relating to the increase in the tax levy.

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 2019.

Federal sources increased as a result of increased SEMI revenues of \$158,113, as well as the increase in Tech Ready Navy grant revenues of \$293,020 and Title IV revenues of \$134,171.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2018</b>	<b>Percent of Increase (Decrease)</b>
Current expenditures:				
Instruction	\$100,548,014	36.5%	\$ 2,286,440	2.3 %
Support services	163,609,127	59.1	4,737,879	3.0
Special schools	37,506	0.0	5,711	18.0
Capital outlay	3,668,126	1.3	(951,419)	(20.6)
Debt service:				
Principal	7,210,938	2.6	398,782	5.9
Interest	1,483,096	0.5	(203,373)	(12.1)
<b>Total</b>	<b>\$276,556,807</b>	<b>100.0%</b>	<b>\$ 6,274,020</b>	<b>2.3%</b>

Current expenditures reflect an overall increase attributable to normal operational increases in the areas of salaries, health benefits, textbooks and supplies, as the District engaged in various curriculum changes and improvements during the year. Capital outlay expenditures decreased from the prior year due to the timing of projects throughout the District, as well as the buses acquired in the prior year. Interest expenditures decreased due to continued decrease on principal balances.

## 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 miscellaneous revenue was in excess of the modified budget by \$594,942 or 122% 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 \$1,541,665 or 181% 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 2019, the District had \$161,776,856 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, 2019 and 2018:

	<b>Capital Assets (Net of Depreciation)</b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 5,368,923	\$ 5,368,923	\$ 1,421,600	\$ 1,421,600
Construction in progress	508,400			
Land improvements	4,420,090	4,982,515	295,700	281,501
Building and building improvements	134,699,748	135,011,995	7,165,322	6,891,706
Machinery and equipment	7,628,783	6,753,735	268,290	403,149
<b>Total</b>	<b>\$152,625,944</b>	<b>\$152,117,168</b>	<b>\$ 9,150,912</b>	<b>\$ 8,997,956</b>

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



## Debt Administration and Long-Term Liabilities

At June 30, 2019, the District had \$157,463,231 of outstanding debt and other long-term liabilities, of which \$9,488,449 was classified as the current portion.

At June 30, 2019 and 2018, the District's long-term liabilities consisted of:

	<u>2019</u>	<u>2018</u>
Bonds payable	\$56,235,000	\$61,075,000
Other post-employment benefits payable	3,175,211	3,231,183
Unamortized premium on bonds	2,480,333	2,684,415
Notes payable	731,336	914,170
Deferred pension obligation	704,251	776,417
Capital leases payable	6,317,464	6,855,568
Compensated absences payable	14,196,453	12,331,580
Net pension liability	73,623,183	90,355,186
Total long-term liabilities	<u>\$157,463,231</u>	<u>\$178,223,519</u>

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.

### **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, 2019.

## Toms River Regional School District

## Statement of Net Position

June 30, 2019

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 3,019,506	\$ 2,209,116	\$ 5,228,622
Investments	214,396		214,396
Accounts receivable	4,772,682	203,626	4,976,308
Internal balances	15,882	(15,882)	-
Inventories		172,088	172,088
Other assets	1,587,372	137,946	1,725,318
Restricted assets:			
Cash and cash equivalents	13,147,596		13,147,596
Cash held with fiscal agent	19,328,838		19,328,838
Capital assets, non-depreciable	5,877,323	1,421,600	7,298,923
Capital assets, depreciable, net	146,748,621	7,729,312	154,477,933
Total assets	<u>194,712,216</u>	<u>11,857,806</u>	<u>206,570,022</u>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunding of debt	2,160,710		2,160,710
Pension deferrals	17,915,420		17,915,420
Total deferred outflows of resources	<u>20,076,130</u>		<u>20,076,130</u>
<b>Liabilities</b>			
Accounts payable	8,259,342	85,628	8,344,970
Intergovernmental accounts payable:			
State	250,992		250,992
Federal	8,243		8,243
Accrued interest payable	927,464		927,464
Accrued liability for insurance claims	14,292,469		14,292,469
Accrued salaries and wages		33,195	33,195
Unearned revenue	3,526,025	143,525	3,669,550
Other liabilities		74,112	74,112
Current portion of long-term obligations	9,488,449	4,696	9,493,145
Net pension liability	73,623,183		73,623,183
Noncurrent portion of long-term obligations	74,351,599	87,464	74,439,063
Total liabilities	<u>184,727,766</u>	<u>428,620</u>	<u>185,156,386</u>
<b>Deferred Inflow of Resources</b>			
Pension deferrals	<u>30,352,246</u>		<u>30,352,246</u>
<b>Net Position</b>			
Net investment in capital assets	102,262,904	9,150,912	111,413,816
Restricted for:			
Excess Surplus - current year	1,052,319		1,052,319
Excess Surplus - prior year designated for subsequent years expenses	590,534		590,534
Capital Reserve	5,827,261		5,827,261
Maintenance Reserve	6,608,020		6,608,020
Emergency Reserve	712,315		712,315
Capital Projects	945,097		945,097
Unrestricted (deficit)	(118,290,116)	2,278,274	(116,011,842)
Total net position	<u>\$ (291,666)</u>	<u>\$ 11,429,186</u>	<u>\$ 11,137,520</u>

## Toms River Regional School District

## Statement of Activities

Year ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>							
Instruction	\$ 187,991,794	\$ 1,274,688	\$ 6,368,028		\$ (180,349,078)		\$ (180,349,078)
Support services							
Attendance/social work	338,261				(338,261)		(338,261)
Health services	5,830,467				(5,830,467)		(5,830,467)
Other support services	22,248,107		2,012,179		(20,235,928)		(20,235,928)
Improvement of instruction	5,371,959				(5,371,959)		(5,371,959)
School library	3,371,009				(3,371,009)		(3,371,009)
Instructional staff training	165,694				(165,694)		(165,694)
General administration	4,572,965				(4,572,965)		(4,572,965)
School administration	15,191,567				(15,191,567)		(15,191,567)
Central Services	4,530,390				(4,530,390)		(4,530,390)
Administrative information technology	2,592,579			\$ 331,703	(2,260,876)		(2,260,876)
Required maintenance	6,750,324				(6,750,324)		(6,750,324)
Operation of plant	18,819,220				(18,819,220)		(18,819,220)
Security	2,440,321				(2,440,321)		(2,440,321)
Student transportation	20,892,281	73,892			(20,818,389)		(20,818,389)
Special schools	63,870				(63,870)		(63,870)
Interest on long-term debt	1,248,938				(1,248,938)		(1,248,938)
<b>Total governmental activities</b>	<b>302,419,746</b>	<b>1,348,580</b>	<b>8,380,207</b>	<b>331,703</b>	<b>(292,359,256)</b>		<b>(292,359,256)</b>
<b>Business-type activities</b>							
Food Service	4,200,539	2,011,197	2,394,956		\$ 205,614		205,614
Corporate Center	1,016,290	950,902			(65,388)		(65,388)
Day Care Center	738,818	738,679			(139)		(139)
Bennett Complex	312,778	385,749			72,971		72,971
RWJ Barnabas Health Arena	573,832	506,483			(67,349)		(67,349)
<b>Total business-type activities</b>	<b>6,842,257</b>	<b>4,593,010</b>	<b>2,394,956</b>		<b>145,709</b>		<b>145,709</b>
<b>Total primary government</b>	<b>\$ 309,262,003</b>	<b>\$ 5,941,590</b>	<b>\$ 10,775,163</b>	<b>\$ 331,703</b>	<b>(292,359,256)</b>	<b>145,709</b>	<b>(292,213,547)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes					155,329,013		155,329,013
Property taxes, levied for debt service					5,979,032		5,979,032
State Sources					130,750,186		130,750,186
Federal Sources					467,995		467,995
Investment Income					466,884	1,279	468,163
Miscellaneous Income					1,657,116		1,657,116
<b>Total general revenues</b>					<b>294,650,226</b>	<b>1,279</b>	<b>294,651,505</b>
Change in net position before extraordinary item and transfers					2,290,970	146,988	2,437,958
Extraordinary item-restitution funds					8,817		8,817
<b>Total extraordinary item</b>					<b>8,817</b>		<b>8,817</b>
Transfers					112,280	(112,280)	-
Change in net position					2,412,067	34,708	2,446,775
Net position-beginning					(2,703,733)	11,394,478	8,690,745
<b>Net position-ending</b>					<b>\$ (291,666)</b>	<b>\$ 11,429,186</b>	<b>\$ 11,137,520</b>

## Fund Financial Statements

# Governmental Funds



Toms River Regional School District  
Governmental Funds

Balance Sheet

June 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 3,019,211			\$ 295	\$ 3,019,506
Investments	214,396				214,396
Accounts receivable:					
State	2,616,995	\$ 12,989			2,629,984
Federal		1,602,132			1,602,132
Other	489,884	50,682			540,566
Other assets	1,587,372				1,587,372
Interfund receivable	2,537,506				2,537,506
Restricted assets:					
Cash and cash equivalents	13,147,596				13,147,596
Cash held with fiscal agent	2,078,893		\$ 17,249,945		19,328,838
<b>Total assets</b>	<u>\$ 25,691,853</u>	<u>\$ 1,665,803</u>	<u>\$ 17,249,945</u>	<u>\$ 295</u>	<u>\$ 44,607,896</u>
<b>Liabilities and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 4,093,821	\$ 502,277			\$ 4,596,098
Intergovernmental accounts payable:					
State		250,992			250,992
Federal		8,243			8,243
Interfund payable		321,226	\$ 2,200,398		2,521,624
Other liabilities	2,078,893				2,078,893
Unearned revenue		583,065	2,942,960		3,526,025
<b>Total liabilities</b>	<u>6,172,714</u>	<u>1,665,803</u>	<u>5,143,358</u>		<u>12,981,875</u>
<b>Fund balances:</b>					
Restricted for:					
Excess Surplus - current year	1,052,319				1,052,319
Excess Surplus - prior year designated for subsequent years expenditures	590,534				590,534
Capital reserve	5,827,261				5,827,261
Maintenance reserve	6,608,020				6,608,020
Emergency reserve	712,315				712,315
Capital projects			12,106,587		12,106,587
Debt service				\$ 295	295
Assigned to:					
Additional assigned fund balance designated for subsequent year's expenditures	1,541,665				1,541,665
Designated for subsequent year's expenditures	1,409,466				1,409,466
Other purposes	1,777,559				1,777,559
<b>Total fund balances</b>	<u>19,519,139</u>	<u>-</u>	<u>12,106,587</u>	<u>295</u>	<u>31,626,021</u>
<b>Total liabilities and fund balances</b>	<u>\$ 25,691,853</u>	<u>\$ 1,665,803</u>	<u>\$ 17,249,945</u>	<u>\$ 295</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$383,936,091 and the accumulated depreciation is \$231,310,147.	152,625,944
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.	(927,464)
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.	2,160,710
Accrued liability for insurance claims not due and payable in the current period and therefore is not reported as a liability in the funds.	(14,292,469)
Deferred pension costs in governmental activities are not financial resources (uses) and therefore are not reported in the funds.	(12,436,826)
Accrued pension contributions for the June 30, 2019 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.	(3,663,244)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(73,623,183)
Other liabilities included in the governmental funds represent leases that were entered into prior to June 30, 2019 and are included as liabilities in the long-term liability note below.	2,078,893
Other post employment benefits payable liabilities are not due in the current period and therefore reported as long-term liabilities in the funds.	(3,175,211)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(80,664,837)
Net position of governmental activities (A-1)	<u>\$ (291,666)</u>

Toms River Regional School District  
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
<b>Local sources:</b>					
Local tax levy	\$ 155,329,013			\$ 5,979,032	\$ 161,308,045
Interest on investments	153,529		\$ 313,355		466,884
Transportation fees from other LEAs within the State	73,892				73,892
Tuition	1,274,688				1,274,688
Rental Income	126,355				126,355
Solar Renewable Energy Credits	448,539				448,539
Miscellaneous	1,082,222	\$ 406,365			1,488,587
Total revenues-local sources	158,488,238	406,365	313,355	5,979,032	165,186,990
State sources	101,594,061	928,131		349,441	102,871,633
Federal sources	467,995	7,377,414			7,845,409
Total revenues	260,550,294	8,711,910	313,355	6,328,473	275,904,032
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	94,179,986	6,368,028			100,548,014
<b>Undistributed:</b>					
Instruction	6,717,764				6,717,764
Attendance/social work	174,030				174,030
Health services	3,540,970				3,540,970
Guidance services	3,909,475				3,909,475
Speech, OT, PT and related services	3,477,507				3,477,507
Child study teams / special education	3,783,555	2,012,179			5,795,734
Improvement of instruction	2,770,516				2,770,516
School library	1,784,846				1,784,846
Instructional staff training	141,286				141,286
General administration	3,217,540				3,217,540
School administration	7,874,539				7,874,539
Central services	2,384,163				2,384,163
Administrative information technology	1,557,430				1,557,430
Required maintenance	3,314,743				3,314,743
Operation of plant	11,524,198				11,524,198
Care and upkeep of grounds	953,592				953,592
Security	1,415,137				1,415,137
Student transportation	13,097,483				13,097,483
Personnel services-					
unallocated employee benefits	57,034,831				57,034,831
On-behalf payments	32,923,343				32,923,343
Special Schools	37,506				37,506
Capital outlay	3,336,423	331,703	5,060,082		8,728,208
<b>Debt Service:</b>					
Debt service payment - principal	2,188,104			5,022,834	7,210,938
Debt service payment - interest	93,585			1,389,511	1,483,096
Total expenditures	261,432,552	8,711,910	5,060,082	6,412,345	281,616,889
(Deficiency) Excess of Revenues (under) over Expenditures	(882,258)	-	(4,746,727)	(83,872)	(5,712,857)
<b>Other financing sources:</b>					
Transfers in	112,280				112,280
Capital Leases (non-budgeted)	1,855,554				1,855,554
Total other financing sources	1,967,834	-	-	-	1,967,834
Extraordinary Item - restitution funds	8,817				8,817
Net change in fund balances	1,094,393	-	(4,746,727)	(83,872)	(3,736,206)
Fund balances, July 1	18,424,746	-	16,853,314	84,167	35,362,227
Fund balances, June 30	<u>\$ 19,519,139</u>	<u>\$ -</u>	<u>\$ 12,106,587</u>	<u>\$ 295</u>	<u>\$ 31,626,021</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, 2019

**Total net change in fund balances - governmental funds (B-2)** **\$ (3,736,206)**

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

Capital outlays are reported in governmental funds as expenditures.

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

Depreciation expense	\$ (6,882,348)	
Capital asset additions	7,832,023	
Loss on disposals	<u>(440,899)</u>	508,776

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

Serial bonds	4,840,000	
Capital lease proceeds	(1,650,000)	
Obligations under capital leases	2,188,104	
Deferred pension obligation	72,166	
Retirements of note principal	<u>182,834</u>	5,633,104

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.

55,972

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, 2019.

948,473

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.

(204,515)

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.

385,265

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

Amortization of Premium on Bonds	204,082	
Amortization of Deferred Interest Costs	<u>(355,189)</u>	(151,107)

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.

(1,864,873)

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

Pension expense, contributions made and change in accrued contributions		837,178
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**Change in net position of governmental activities (A-2)** **\$ 2,412,067**

# Enterprise Funds

Toms River Regional School District  
Proprietary Funds

Statement of Net Position

June 30, 2019

	Business-Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	RWJ Barnabas Health Arena	
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 410,775	\$ 528,083		\$ 778,979	\$ 491,279	\$ 2,209,116
Accounts receivable:						
State	3,405					3,405
Federal	150,448					150,448
Other	6,773		\$ 43,000			49,773
Inventories	172,088					172,088
Other assets		137,946				137,946
<b>Total current assets</b>	<b>743,489</b>	<b>666,029</b>	<b>43,000</b>	<b>778,979</b>	<b>491,279</b>	<b>2,722,776</b>
<b>Non-current assets:</b>						
Capital assets, non-depreciable		1,421,600				1,421,600
Capital assets, depreciable, net	218,149	4,653,132	8,572	767,294	2,082,165	7,729,312
<b>Total non-current assets</b>	<b>218,149</b>	<b>6,074,732</b>	<b>8,572</b>	<b>767,294</b>	<b>2,082,165</b>	<b>9,150,912</b>
<b>Total assets</b>	<b>961,638</b>	<b>6,740,761</b>	<b>51,572</b>	<b>1,546,273</b>	<b>2,573,444</b>	<b>11,873,688</b>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	9,166	76,462				85,628
Accrued salaries and wages	9,353		23,842			33,195
Unearned revenue	134,898			8,627		143,525
Security deposits		74,112				74,112
Interfund payable			15,882			15,882
Compensated absences payable	4,696					4,696
<b>Total current liabilities</b>	<b>158,113</b>	<b>150,574</b>	<b>39,724</b>		<b>8,627</b>	<b>357,038</b>
<b>Non-current liabilities:</b>						
Compensated absences payable	87,464					87,464
<b>Total liabilities</b>	<b>245,577</b>	<b>150,574</b>	<b>39,724</b>		<b>8,627</b>	<b>444,502</b>
<b>Net position</b>						
Investment in capital assets	218,149	6,074,732	8,572	767,294	2,082,165	9,150,912
Unrestricted	497,912	515,455	3,276	778,979	482,652	2,278,274
<b>Total net position</b>	<b>\$ 716,061</b>	<b>\$ 6,590,187</b>	<b>\$ 11,848</b>	<b>\$ 1,546,273</b>	<b>\$ 2,564,817</b>	<b>\$ 11,429,186</b>

Toms River Regional School District  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2019

	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	\$ 894,898					\$ 894,898
Daily food sales-non-reimbursable programs	1,116,299					1,116,299
Tuition			\$ 738,679			738,679
Rental income		\$ 949,853		\$ 284,993	\$ 100,100	1,334,946
Sales				97,044	137,357	234,401
Fees collected					262,126	262,126
Miscellaneous		1,049		3,712	6,900	11,661
Total operating revenues	<u>2,011,197</u>	<u>950,902</u>	<u>738,679</u>	<u>385,749</u>	<u>506,483</u>	<u>4,593,010</u>
Operating expenses:						
Salaries	2,064,250		552,758	174,881	148,779	2,940,668
Employee benefits	276,250		76,933	13,378	19,594	386,155
Repairs and maintenance		181,930		16,366	13,131	211,427
Supplies and materials	87,212	240	63,308	47,017	87,517	285,294
Cost of sales - reimbursable programs	1,248,641					1,248,641
Cost of sales - non-reimbursable programs	321,805					321,805
Depreciation	45,928	192,908	2,009	24,139	70,032	335,016
Amortization		38,161				38,161
Utilities	54,606	241,370		28,511	22,775	347,262
Real estate taxes		145,511				145,511
Rental	22,860		43,810			66,670
Management services		44,580				44,580
Insurance	12,092			2,192	10,937	25,221
Other purchased services	22,746	91,555			100,034	214,335
Miscellaneous	40,482	80,035		6,294	18,686	145,497
Total operating expenses	<u>4,196,872</u>	<u>1,016,290</u>	<u>738,818</u>	<u>312,778</u>	<u>491,485</u>	<u>6,756,243</u>
Operating (loss) income	(2,185,675)	(65,388)	(139)	72,971	14,998	(2,163,233)
Nonoperating revenues:						
State sources:						
School lunch program	39,588					39,588
Federal sources:						
School breakfast program	464,217					464,217
National school lunch program	1,551,962					1,551,962
Healthy Hunger-Free Kids Act (HHFKA)	43,998					43,998
Food donation program - commodities	295,191					295,191
Loss on disposal of capital assets	(3,667)				(82,347)	(86,014)
Interest revenue	306	973				1,279
Total nonoperating revenues	<u>2,391,595</u>	<u>973</u>			<u>(82,347)</u>	<u>2,310,221</u>
Income (loss) before transfers	205,920	(64,415)	(139)	72,971	(67,349)	146,988
Transfers out				(20,972)	(91,308)	(112,280)
Change in net position	205,920	(64,415)	(139)	51,999	(158,657)	34,708
Total net position, beginning	510,141	6,654,602	11,987	1,494,274	2,723,474	11,394,478
Total net position, end	<u>\$ 716,061</u>	<u>\$ 6,590,187</u>	<u>\$ 11,848</u>	<u>\$ 1,546,273</u>	<u>\$ 2,564,817</u>	<u>\$ 11,429,186</u>

Toms River Regional School District  
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2019

	Business-Type Activities Major Enterprise Funds					Totals
	Food Service	Corporate Center	Day Care Center	Bennett Complex	RWJ Barnabas Health Arena	
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 2,013,459	\$ 857,792	\$ 757,915	\$ 385,749	\$ 523,277	\$ 4,538,192
Payments to employees	(2,094,310)		(630,650)	(188,259)	(170,467)	(3,083,686)
Payments for employee benefits	(276,250)					(276,250)
Payments for rent	(22,860)		(43,810)			(66,670)
Payments to suppliers	(1,804,928)	(806,199)	(63,308)	(100,380)	(254,142)	(3,028,957)
Net cash (used in) provided by operating activities	<u>(2,184,889)</u>	<u>51,593</u>	<u>20,147</u>	<u>97,110</u>	<u>98,668</u>	<u>(1,917,371)</u>
<b>Cash flows from investing activity-</b>						
Interest received	306	973				1,279
Net cash provided by investing activity	<u>306</u>	<u>973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,279</u>
<b>Cash flows from capital and related financing activity-</b>						
Purchase of capital assets		(570,861)		(3,125)		(573,986)
Net cash (used in) capital and related financing activity	<u>-</u>	<u>(570,861)</u>	<u>-</u>	<u>(3,125)</u>	<u>-</u>	<u>(573,986)</u>
<b>Cash flows from noncapital financing activities:</b>						
Cash received from state and federal sources	2,401,601					2,401,601
Cash received (disbursed to) other funds			(20,147)	(20,972)	(91,308)	(132,427)
Net cash provided by (used in) noncapital financing activities	<u>2,401,601</u>	<u>-</u>	<u>(20,147)</u>	<u>(20,972)</u>	<u>(91,308)</u>	<u>2,269,174</u>
Net increase (decrease) in cash and cash equivalents	217,018	(518,295)	-	73,013	7,360	(220,904)
Cash and cash equivalents, beginning of year	193,757	1,046,378	-	705,966	483,919	2,430,020
Cash and cash equivalents, end of year	<u>\$ 410,775</u>	<u>\$ 528,083</u>	<u>\$ -</u>	<u>\$ 778,979</u>	<u>\$ 491,279</u>	<u>\$ 2,209,116</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities</b>						
Operating (loss) income	\$ (2,185,675)	\$ (65,388)	\$ (139)	\$ 72,971	\$ 14,998	\$ (2,163,233)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	45,928	192,908	2,009	24,139	70,032	335,016
Amortization expense		38,161				38,161
Change in assets and liabilities:						
Decrease in intergovernmental receivable			1,485			1,485
Decrease in accounts receivable	1,653		17,751		11,390	30,794
(Increase) in inventory	(25,997)					(25,997)
(Increase) in other assets		(83,008)				(83,008)
Increase (decrease) in accounts payable	8,652	(20,978)			(1,062)	(13,388)
Increase (decrease) in unearned revenue	610	(450)			5,404	5,564
(Decrease) in compensated absences payable	(27,418)					(27,418)
(Decrease) in other liabilities		(9,652)				(9,652)
(Decrease) in accrued salaries	(2,642)		(959)		(2,094)	(5,695)
Net cash (used in) provided by operating activities	<u>\$ (2,184,889)</u>	<u>\$ 51,593</u>	<u>\$ 20,147</u>	<u>\$ 97,110</u>	<u>\$ 98,668</u>	<u>\$ (1,917,371)</u>

**Noncash noncapital financing activities**

The District received \$292,128 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2019.

# Fiduciary Funds



Toms River Regional School District  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2019

	<b>Private- Purpose Scholarship Trust Funds</b>	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 45,351	\$ 6,046,266	\$ 7,851,855
Total assets	45,351	6,046,266	\$ 7,851,855
<b>Liabilities</b>			
Payroll deductions and withholdings payable			\$ 1,792,409
Summer payroll payable			5,172,714
Accounts payable		59,833	
Due to class funds			39,547
Due to student groups			847,185
Total liabilities		59,833	\$ 7,851,855
<b>Net position</b>			
Held in trust for unemployment benefits		\$ 5,986,433	
Held in trust for scholarships	\$ 45,351		

Toms River Regional School District  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2019

	<b>Private- Purpose Scholarship Trust Funds</b>	<b>Unemployment Compensation Trust Fund</b>
<b>Additions</b>		
Interest received	\$ 50	\$ 303
Contributions-employees		425,495
Donations	62,425	
Total additions	<u>62,475</u>	<u>425,798</u>
<b>Deductions</b>		
Scholarships awarded	66,700	
Unemployment claims		217,745
Total deductions	<u>66,700</u>	<u>217,745</u>
Change in net position	(4,225)	208,053
Net position-beginning of the year	49,576	5,778,380
Net position-end of the year	<u>\$ 45,351</u>	<u>\$ 5,986,433</u>

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2019

### **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, 2019

### 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, 2019

**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, 2019

**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, 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, 2019

**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, 2019

**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, 2019

**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, 2019, there was \$44,866 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, 2019

**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, 2019, a liability existed for compensated absences in the governmental activities financial statements in the amount of \$14,196,453. 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 \$92,160.

**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. Unearned revenue in the Capital Projects Fund related to a good faith deposit related to the bonds issued in July 2019.

**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. 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, 2019 amounted to \$355,189. As of June 30, 2019, the District has recorded an unamortized balance of \$2,160,710 as a deferred outflow of resources.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**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, 2019

**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 \$19,519,139 of general fund balance at June 30, 2019, \$5,827,261 is restricted in a capital reserve, \$6,608,020 is restricted in a maintenance reserve (\$2,000,000 of the balance is being utilized as part of the 2019-2020 budget), \$712,315 is restricted in an emergency reserve, \$2,063,818 is assigned for year-end encumbrances, \$1,052,319 has been restricted for excess surplus – current year, \$590,534 of prior year excess surplus is restricted and has been designated for subsequent years expenditures, \$1,409,466 is reported as an assigned fund balance designated for subsequent year's expenditures, \$1,541,665 is reported as additional assigned fund balance designated for subsequent year's expenditures July 1, 2019 to August 1, 2019, and \$1,777,559 is classified as assigned for other purposes. At June 30, 2019, the District also had restricted debt service fund balance in the amount of \$295 and capital projects fund balance of \$12,106,587.

**N. Net Position**

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

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

**O. Management Estimates**

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

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**I. Summary of Significant Accounting Policies (continued)**

**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 \$23,800,980 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. \$590,534 of prior year excess fund balance was included in the 2019-20 approved budget. The excess fund balance generated in the 2019 fiscal year is \$1,052,319 which will be appropriated in the 2020-21 budget.

**R. GASB Pronouncements**

**Recently Adopted Accounting Principles**

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements in April 2018. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments. The requirements of this Statement are effective for periods beginning after June 15, 2018. Management has adopted this statement in the 2019 fiscal year and it was determined that it did not have an impact on its financial statements or disclosures.

**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.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**S. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 16, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. On July 15, 2019, the District issued school bonds in the amount of \$147,148,000, with the first principal payment due on July 15, 2020, continuing semi-annually through July 15, 2039.

**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 \$83,840,048 difference are as follows:

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

Bonds payable	\$ 56,235,000
Other post-employment benefits payable	3,175,211
Unamortized bond premium	2,480,333
Notes payable	731,336
Deferred pension obligations	704,251
Capital leases payable	6,317,464
Compensated absences payable	<u>14,196,453</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 83,840,048</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

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**3. Deposits and Investments (continued)**

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

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

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

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

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

**Deposits**

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

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

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.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**3. Deposits and Investments (continued)**

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, 2019, the carrying amount of the District's deposits for all funds was \$46,515,652 and the bank balance was \$50,046,888. Of the bank balance, \$827,538 of the District's cash deposits on June 30, 2019 were secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered \$23,450,468 of the bank balance. \$18,528,838 of the balance represents capital lease funds held by fiscal agent that is not covered by GUDPA. \$7,240,043 held in the District agency accounts are not covered by GUDPA.

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

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

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

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

**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.



Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**3. Deposits and Investments (continued)**

As of June 30, 2019, the District's investment balance of \$214,396 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, 2019:

- SRECs in the amount of \$214,396 are valued using quoted market prices (Level 1 inputs).

**New Jersey Cash Management Fund**

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District's shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2019, the District's balance was \$5,132,906 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.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**3. Deposits and Investments (continued)**

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2019, all of the District's investments were invested in NJCMF, except for the SRECs.

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2019:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,368,923				\$ 5,368,923
Construction in progress		\$ 508,400			508,400
Total capital assets, not being depreciated	5,368,923	508,400			5,877,323
Capital assets, being depreciated:					
Land improvements	22,086,271	171,973	\$ (29,918)		22,228,326
Buildings and building improvements	326,273,832	5,435,665	(131,647)	\$ 16,330	331,594,150
Machinery, equipment and vehicles	23,579,646	1,715,985	(1,043,039)	(16,300)	24,236,292
Total capital assets being depreciated	371,939,749	7,323,623	(1,204,604)	-	378,058,768
Less accumulated depreciation for:					
Land improvements	17,103,756	724,376	(19,896)		17,808,236
Buildings and building improvements	191,261,837	5,664,448	(32,698)	815	196,894,402
Machinery, equipment and vehicles	16,825,911	493,524	(711,111)	(815)	16,607,509
Total accumulated depreciation	225,191,504	6,882,348	(763,705)	-	231,310,147
Total capital assets, being depreciated, net	146,748,245	441,275	(440,899)	-	146,748,621
Total Governmental activities capital assets, net	\$152,117,168	\$ 949,675	\$ (440,899)	\$ -	\$152,625,944

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**4. Capital Assets (continued)**

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

Instruction	\$ 4,237,913
Attendance/social work	6,876
Health services	139,899
Guidance services	154,458
Other support services	366,372
Improvement of instruction	109,459
School library	70,517
Instructional staff training	5,582
General administration	127,120
School administration	311,112
Central services	94,195
Administrative IT	61,532
Required maintenance	130,961
Operation of plant	492,979
Security	55,910
Student transportation	517,463
Total depreciation expense – governmental activities	<u>\$ 6,882,348</u>

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**4. Capital Assets (continued)**

The following is a summary of business-type changes in capital assets for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,421,600			\$ 1,421,600
Total capital assets not being depreciated	<u>1,421,600</u>			<u>1,421,600</u>
Capital assets, being depreciated:				
Land improvements	676,016	\$ 43,280		719,296
Buildings and building improvements	10,635,460	527,581		11,163,041
Machinery and equipment	2,590,023	3,125	\$ (198,590)	2,394,558
Total capital assets being depreciated	<u>13,901,499</u>	<u>573,986</u>	<u>(198,590)</u>	<u>14,276,895</u>
Less accumulated depreciation for:				
Land improvements	394,515	29,081		423,596
Buildings and building improvements	3,743,754	253,965		3,997,719
Machinery and equipment	2,186,874	51,970	(112,576)	2,394,558
Total accumulated depreciation	<u>6,325,143</u>	<u>335,016</u>	<u>(112,576)</u>	<u>6,547,583</u>
Total capital assets, being depreciated, net	<u>7,576,356</u>	<u>238,970</u>	<u>(86,014)</u>	<u>7,729,312</u>
Total business-type activities capital assets, net	<u>\$ 8,997,956</u>	<u>\$ 238,970</u>	<u>\$ (86,014)</u>	<u>\$ 9,150,912</u>

**5. Long-Term Liabilities**

During the year ended June 30, 2019, 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	\$12,331,580	\$3,048,884	\$(1,184,011)	\$14,196,453	\$1,105,440
Bonds payable	61,075,000		(4,840,000)	56,235,000	5,810,000
Notes payable	914,170		(182,834)	731,336	182,834
Premium on bonds	2,684,415		(204,082)	2,480,333	204,082
Deferred pension obligations	776,417		(72,166)	704,251	78,360
OPEB – district plan	3,231,183		(55,972)	3,175,211	
Capital leases payable	6,855,568	1,650,000	(2,188,104)	6,317,464	2,107,733
Subtotal	<u>87,868,333</u>	<u>4,698,884</u>	<u>(8,727,169)</u>	<u>83,840,048</u>	<u>9,488,449</u>
Net pension liability	90,355,186		(16,732,003)	73,623,183	
Total governmental activities long-term liabilities	<u>\$ 178,223,519</u>	<u>\$4,698,884</u>	<u>\$(25,459,172)</u>	<u>\$157,463,231</u>	<u>\$9,488,449</u>

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**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, 2019, the District entered into two capital leases in the amounts of \$800,000 and \$850,000 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, 2019.

During the year ended June 30, 2019, the District expended \$1,855,554 of prior year unexpended capital lease proceeds.

During the year ended June 30, 2019, the following changes occurred in business-type long-term liabilities attributable to the food service enterprise fund:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Business-type activities: Compensated absences payable	<u>\$ 119,578</u>	<u>\$1,704</u>	<u>\$ 29,122</u>	<u>\$ 92,160</u>	<u>\$ 4,696</u>

**Bonds Payable**

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

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ending June 30:			
2020	\$ 5,810,000	\$ 1,944,666	\$ 7,754,666
2021	6,010,000	1,761,798	7,771,798
2022	5,785,000	1,558,165	7,343,165
2023	6,015,000	1,352,106	7,367,106
2024	6,340,000	1,139,251	7,479,251
2025-2029	15,455,000	3,417,653	18,872,653
2030-2034	4,500,000	1,611,281	6,111,281
2035-2038	6,320,000	533,803	6,853,803
	<u>\$ 56,235,000</u>	<u>\$ 13,318,723</u>	<u>\$ 69,553,723</u>

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**5. Long-Term Liabilities (continued)**

**Bonds Payable (continued)**

Bonds payable at June 30, 2019 are comprised of the following issues:

\$15,790,000, 2009 refunding bonds, due in annual installments ranging from \$1,335,000 to \$1,485,000 through July 15, 2022 at interest rates ranging from 3.63% 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 \$1,180,000 to \$1,710,000 through July 15, 2028 at an interest rate of 4.00%. As of June 30, 2019, the amount of defeased bonds outstanding is \$14,659,000.

\$20,365,000, 2013 school refunding bonds, due in annual installments ranging from \$960,000 to \$4,630,000 through July 15, 2024 at interest rates ranging from 2.01% to 3.12%. As of June 30, 2019, the amount of defeased bonds outstanding is \$15,890,000.

\$6,055,000, 2016 school refunding bonds, due in annual installments ranging from \$1,515,000 to \$1,550,000 through January 15, 2021 at an interest rate of 1.40%. As of June 30, 2019, the amount of defeased bonds outstanding is \$3,085,000.

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.

**Authorized but Not Issued Debt**

On January 22, 2019, the voters of the District approved a \$147,148,000 referendum authorizing the issuance of \$147,148,000 in bonds for the rebuilding the schools initiative at various schools throughout the District. At June 30, 2019, \$147,148,000 was authorized but not issued at June 30, 2019.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**5. Long-Term Liabilities (continued)**

**Notes Payable-CREBS**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
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>\$ 731,336</u>	<u>\$ 16,820</u>	<u>\$ 748,156</u>

**Deferred Pension Obligation**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
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	108,931	28,003	136,934
2025-2026	239,164	27,254	266,418
	<u>\$ 704,251</u>	<u>\$ 246,837</u>	<u>\$ 951,088</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, 2019:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 2,107,733	\$ 101,616	\$ 2,209,349
2021	1,789,748	86,234	1,875,982
2022	1,288,294	50,963	1,339,257
2023	786,777	23,708	810,485
2024	344,912	6,044	350,956
	<u>\$ 6,317,464</u>	<u>\$ 268,565</u>	<u>\$ 6,586,029</u>

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**5. Long-Term Liabilities (continued)**

Assets capitalized through capital leases at June 30, 2019 are as follows:

Machinery and equipment	\$ 4,835,538
Less accumulated depreciation	<u>(470,909)</u>
Total	<u>\$4,364,629</u>

Depreciation expense on the assets acquired with capital lease proceeds is included in the total depreciation expenses in Note 4.

**Operating Leases**

The District leases copier equipment. The lease expense amounted to \$24,834 for fiscal year 2019. The future minimum rental payments under the operating lease agreements total \$15,159 agreement over the remaining life of the leases:

Year ending June 30:

2020	\$ 12,477
2021	<u>2,682</u>
	<u>\$ 15,159</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 fulltime 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



Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

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.

**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 fulltime employees of the State or any county, municipality, school district 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 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

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2019, the State of New Jersey contributed \$26,061,435 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 \$6,861,908 during the year ended June 30, 2019 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, 2019, 2018, and 2017 were \$3,719,306, \$3,595,798, and \$3,600,625 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, 2019, the District reported a liability of \$73,623,183 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.3739210100 percent, which was a decrease of 0.0142292912 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized full accrual pension expense of \$2,882,128 in the government-wide financial statements. At June 30, 2019, 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, 2019

**6. Pension Plans (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,404,005	\$ 379,625
Changes of assumptions	12,131,881	23,540,779
Net difference between projected and actual earnings on pension plan investments		690,589
Changes in proportion and differences between District contributions and proportionate share of contributions	716,290	5,741,253
District contributions subsequent to the measurement date	3,663,244	
	\$ 17,915,420	\$ 30,352,246

\$3,663,244 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:

<b>Year ended June 30:</b>	
2020	\$ (432,504)
2021	(1,914,088)
2022	(6,543,439)
2023	(5,453,460)
2023	(1,756,579)
	\$ (16,100,070)

*Actuarial Assumptions*

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**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, 2017 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 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. In addition, the tables for service and retirements and beneficiaries of formers members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the plan actuary's 2014 projection scale thereafter. 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 (7.00% at June 30, 2018) 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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018 and 5.00% as of June 30, 2017. 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 3.87% as of June 30, 2018 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 50% 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 members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2019

**6. Pension Plans (continued)**

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2018 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	<b>At 1% Decrease (4.66%)</b>	<b>At Current Discount Rate (5.66%)</b>	<b>At 1% Increase (6.66%)</b>
District's proportionate share of the net pension liability	\$ 92,572,670	\$ 73,623,183	\$ 57,725,775

*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, 2018 are as follows:

Deferred outflows of resources	\$ 4,684,852,302
Deferred inflows of resources	\$ 7,646,736,226
Net pension liability	\$ 19,689,501,539
District's Proportion	0.3739210100%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,099,708,157.

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, 2018, 2017, 2016, 2015 and 2014 is 5.63, 5.48, 5.57, 5.72, 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

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2018 was \$575,949,151. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State's proportionate share of the TPAF net pension liability associated with the District was 0.9053263076 percent, which was an increase of .0029071365 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$33,575,821 for contributions incurred by the State.

*Actuarial assumptions*

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%
Investment rate of return	7.00%

*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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, 2018) 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 expected future real rates of return by the target asset allocation percentage and 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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>	



Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018 and 4.25% as of June 30, 2017. 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 3.87% as of June 30, 2018 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 50% 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 members 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 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, 2018 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 (3.86%) or 1-percentage-point higher (5.86%) than the current rate:

	<b>At 1% Decrease (3.86%)</b>	<b>At Current Discount Rate (4.86%)</b>	<b>At 1% Increase (5.86%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 680,760,959	\$ 575,949,151	\$ 489,062,716

*Pension plan fiduciary net position*

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

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Additional Information**

Collective balances of the Local Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$	12,599,296,329
Deferred inflows of resources	\$	16,171,861,734
Net pension liability	\$	63,617,852,031
State's proportionate share associated with the District		0.9053263076%

Collective pension expense for the plan for the measurement period ended June 30, 2018 is \$3,726,181,598.

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, 2018, 2017, 2016, 2015 and 2014 is 8.29, 8.3, 8.3, 8.3, and 8.5 years, respectively.

**7. Post-Retirement Benefits**

**State Plan**

*Plan description and benefits provided*

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health benefits) for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. 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 employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State's contributions to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2019, 2018 and 2017 were \$8,127,640, \$8,819,992 and \$8,457,625 respectively, which equaled the required contributions for each year.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

*Total OPEB Liability*

The total non-employer (State) OPEB liability from New Jersey's plan is \$46,110,832,982.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

**State Plan (continued)**

*Changes in Total OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2019:

Beginning Total OPEB Liability, June 30, 2017	\$	<u>657,523,619</u>
Changes for the year:		
Service cost		19,789,844
Interest cost		23,988,517
Differences between expected and actual experience		(55,595,778)
Changes of assumptions		(64,965,751)
Member contributions		523,193
Gross benefit payments		<u>(15,137,998)</u>
Net changes		<u>(91,397,973)</u>
Ending Total OPEB Liability, June 30, 2018	\$	<u><u>566,125,646</u></u>

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2018
Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>362,181</u></u>

The State, a non-employer 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 total OPEB liability associated with the District as of June 30, 2018 was \$566,125,646. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

**State Plan (continued)**

*Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

*Mortality Rates*

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year based on MP- 2017 scale. Postretirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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.

100% of all retirees who currently have health care coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

*Discount Rate*

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

**State Plan (continued)**

Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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 total non-employer OPEB liability to changes in the discount rate and health care cost trend rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	At 1% decrease (2.87%)	At current discount rate (3.87%)	At 1% increase (4.87%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 669,275,757	\$ 566,125,646	\$ 484,131,959

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2018 calculated using the healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 467,935,819	\$ 566,125,646	\$ 695,985,452

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**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, 2019, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$21,276,641 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$	1,377,313,892
Deferred inflows of resources	\$	16,189,378,926
Collective OPEB Expense	\$	2,129,660,368
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, 2019, 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, 2019

**7. Post-Retirement Benefits (continued)**

**Toms River Regional Schools Post-Retirement Health Plan (continued)**

*Total OPEB Liability*

The total OPEB liability from District's plan is \$3,175,211.

*Actuarial assumptions and other inputs*

The total OPEB liability of \$3,175,211 was reported in the June 30, 2019 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	2.79%
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, 2019 measurement period was 2.79%.

The actuarial assumptions used in the June 30, 2019 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, 2018	\$ <u>3,231,183</u>
Changes for the year:	
Interest	92,559
Benefit Payments	(250,367)
Changes in assumptions and other inputs	<u>101,836</u>
Net changes	\$ <u>(55,972)</u>
Balance at June 30, 2019	\$ <u>3,175,211</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.98% in 2018 to 2.79% in 2019, which is the S&P Municipal Bond 20 year high-grade rate index as of June 30, 2019.

For the year ended June 30, 2019, the District recognized negative OPEB benefit of \$55,972.



Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

**Toms River Regional Schools Post-Retirement Health Plan (continued)**

*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 (1.79%) or 1-percentage-point higher (3.79%) than the current discount rate:

	<b>At 1% Decrease (1.79%)</b>	<b>At Current Discount Rate (2.79%)</b>	<b>At 1% Increase (3.79%)</b>
Total OPEB liability	\$ 3,432,807	\$ 3,175,211	\$ 2,950,750

*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:

	<b>At 1% Decrease (2.60%)</b>	<b>At Current Healthcare Trend Rate (3.60%)</b>	<b>At 1% Increase (4.60%)</b>
Total OPEB liability	\$ 2,952,979	\$ 3,175,211	\$ 3,424,664

**8. Interfund Receivables and Payables**

The following interfund balances were recorded on the various balance sheets as of June 30, 2019:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 2,537,506	
Special Revenue Fund		\$ 321,226
Capital Projects Fund		2,200,398
Day Care Center Enterprise Fund		15,882
	\$ 2,537,506	\$ 2,537,506

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**8. Interfund Receivables and Payables (continued)**

The general fund interfund receivable due from the special revenue fund in the amount of \$321,226 and \$15,882 from the day care center enterprise fund both relate to a transfer during 2018-2019 to cover a cash deficit that is due back to the general fund. The general fund interfund receivable from the capital projects fund represents a portion of the cash held related to the capital projects fund ESIP accounts.

All interfunds are expected to be repaid within one year.

**9. Transfers – Reconciliation**

The following presents a reconciliation of transfers made during the 2019 fiscal year:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 112,280	
Bennett Complex Enterprise Fund		\$ 20,972
RWJ Barnabas Health Arena Enterprise Fund		91,308
	\$ 112,280	\$ 112,280

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.

**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.

**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 2019 fiscal year, the District was covered by commercial insurance, as well as being self-insured for workers’ compensation (\$650,000 deductible/limit per occurrence), general and auto liability (\$300,000 deductible/limit per occurrence) and student accident (\$25,000 deductible/limit per occurrence).

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**11. Risk Management (continued)**

**Health Insurance-Self Insured**

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

This activity is reported in the government-wide financial statements and includes an accrual for health insurance claims incurred but not reported in the amount of \$5,757,000 at June 30, 2019. 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 2019, 2018 and 2017 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2018-19	\$5,982,000	\$43,087,457	\$43,312,457	\$ 5,757,000
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

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

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

# Toms River Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2019

### 11. Risk Management (continued)

Changes in the case reserves and incurred but not reported claims liability amount for workers' compensation, general and auto liability, employment practice, legal liability and student accident claims for the fiscal years ending 2019, 2018 and 2017 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments / Reductions	Balance at End of Year
2018-19	\$9,258,942	\$1,338,861	\$2,062,334	\$8,535,469
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

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
2018-19	\$ 303	\$ 425,495	\$ 217,745	\$ 5,986,433
2017-18	175	407,100	244,090	5,778,380
2016-17	73	397,310	309,752	5,615,195

### 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:

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**12. Deferred Compensation (continued)**

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 \$5,827,261, \$6,608,020, and \$712,315, respectively. The District also has restricted cash held with fiscal agent in the general fund in the amount of \$2,078,893, which represents proceeds not yet expended from capital leases entered into through June 30, 2019 and \$17,249,945 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.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, June 30, 2018	\$ 5,206,098
Budget withdrawal	(430,000)
Interest earnings	15,995
Deposits:	
Unused capital outlay funds	35,168
Approved by June 2019 resolution	1,000,000
Ending balance, June 30, 2019	<u>\$ 5,827,261</u>

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**14. Capital Reserve Account (continued)**

The June 30, 2019 balance in the capital reserve account did not exceed the local support costs of uncompleted capital projects.

**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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, June 30, 2018	\$ 7,196,820
Budget withdrawals	(2,600,000)
Interest earnings	11,200
Deposits:	
Approved by June 2019 resolution	2,000,000
Ending balance, June 30, 2019	\$ 6,608,020

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, 2019. The District has budgeted \$2,000,000 of the June 30, 2019 maintenance reserve balance in its 2019-20 fiscal year budget.

**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

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**16. Emergency Reserve Account (continued)**

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, June 30, 2018	\$ 709,865
Interest earnings	2,450
Ending balance, June 30, 2019	<u>\$ 712,315</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, 2019 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 \$250,000 has been recorded in the governmental funds to address any litigation matters that pertain to fiscal year ended June 30, 2019.

**18. Commitments**

The District has contractual commitments at June 30, 2019 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$2,063,818 and is included in the assigned – other purposes fund balance of \$1,831,084 and \$14,998,192 in the capital projects fund included in restricted fund balance of \$12,106,587.

**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, 2019 is \$704,251.

Toms River Regional School District  
Notes to the Basic Financial Statements

Year ended June 30, 2019

**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 \$4,151,805 of these funds through June 30, 2019, which includes \$8,817 received during the fiscal year ended June 30, 2019. The \$8,817 received in the fiscal year ended June 30, 2019 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.

The Township of Toms River recognized revenue of \$487,473 from the annual service charge in lieu of payment of taxes in 2018 and taxes in 2018 that otherwise would have been due on these long-term tax exemptions amounted to \$941,633, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$454,160 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 2018.



Required Supplementary Information  
Part II

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	0.4019779833%	0.4171099175%	0.4045399954%	0.4052997399%	0.3881503012%	0.3739210100%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	\$ 76,825,980	\$ 78,094,385	\$ 90,811,122	\$ 120,038,158	\$ 90,355,186	\$ 73,623,183
District's covered payroll	\$ 28,229,384	\$ 29,688,160	\$ 28,142,412	\$ 27,783,291	\$ 28,464,360	\$ 27,539,772	\$ 27,569,910	\$ 26,829,471	\$ 26,060,161	\$ 25,881,978
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	283.57%	328.38%	447.41%	346.72%	284.46%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution	\$ 2,476,460	\$ 3,193,445	\$ 3,375,594	\$ 3,193,343	\$ 3,171,680	\$ 3,584,736	\$ 3,477,959	\$ 3,600,625	\$ 3,595,798	\$ 3,719,306
Contributions in relation to the contractually required contribution	(2,476,460)	(3,193,445)	(3,375,594)	(3,193,343)	(3,171,680)	(3,584,736)	(3,477,959)	(3,600,625)	(3,595,798)	(3,719,306)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 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	\$ 26,887,784
Contributions as a percentage of covered payroll	8.34%	11.35%	12.15%	11.22%	11.52%	13.00%	12.96%	13.83%	13.89%	13.83%

See Note to Required Supplemental 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	2019
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.8861361810%	0.8856836534%	0.8971177283%	0.9024191711%	0.9053263076%
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	\$ 575,949,151
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>	<u>\$ 575,949,151</u>
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

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\*

	Year Ended June 30,		
	2019	2018	2017
State's proportion of the total OPEB liability (asset) associated with the District	1.23%	1.23%	1.23%
District's proportionate share of the total OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the total OPEB liability associated with the District	\$ 566,125,646	\$ 657,523,619	\$ 713,403,660
Total proportionate share of the total OPEB liability (asset) associated with the District	<u>\$ 566,125,646</u>	<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%	0.00%
	<u>2019</u>	<u>2018</u>	<u>2017**</u>
<b>Total OPEB Liability</b>			
Changes for the year:			
Service cost	\$ 19,789,844	\$ 23,853,635	
Interest cost	23,988,517	20,804,270	
Differences between expected and actual experience	(55,595,778)		
Changes of assumptions	(64,965,761)	(85,869,098)	
Member contributions	523,193	560,794	
Gross benefit payments	(15,137,998)	(15,229,642)	
Net change in total OPEB liability	<u>(91,397,983)</u>	<u>(55,880,041)</u>	
Total OPEB liability - beginning	<u>657,523,619</u>	<u>713,403,660</u>	
Total OPEB liability - ending	<u>\$ 566,125,636</u>	<u>\$ 657,523,619</u>	
Covered-employee payroll	<u>\$ 121,089,442</u>	<u>\$ 98,514,753</u>	
Total OPEB liability as a percentage of covered-employee payroll	<u>467.53%</u>	<u>667.44%</u>	

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.

\*\* 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\*

	<u>2019</u>	<u>2018</u>
Balance, Beginning of Year	\$ 3,231,183	3,718,675
Changes for the year:		
Interest	92,559	112,332
Effect of economic/demographic gains or losses	-	(276,178)
Employer contributions	(250,367)	(259,611)
Changes in assumptions or other inputs	101,836	(64,035)
Net changes	<u>(55,972)</u>	<u>(487,492)</u>
Balance, End of Year	\$ <u>3,175,211</u>	<u>3,231,183</u>
Total OPEB Liability	\$ 3,175,211	3,231,183
OPEB plan's fiduciary net position	\$ -	-
Net OPEB Liability	\$ 3,175,211	3,231,183
Plan fiduciary net position as a percentage of the total OPEB liability -	0.00%	0.00%
Covered employee payroll	\$ -	-
Net OPEB liability as a percentage of covered employee payroll	0.00%	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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution	N/A	N/A	N/A	N/A	\$ 230,484	\$ 272,410	\$ 288,869	\$ 323,510	\$ 259,611	\$ 250,367
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	(230,484)	(272,410)	(288,869)	(323,510)	(259,611)	(250,367)
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, 2019

PUBLIC EMPLOYEES' RETIREMENT SYSTEM - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018.

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 2.98% as of June 30, 2017 to 3.87% as of June 30, 2018.

B. Toms River School District Post-Employment Retirement Plan

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.98% as of June 30, 2018 to 2.79% as of June 30, 2019.



Required Supplementary Information  
Part III  
Budgetary Comparison Schedules

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 155,329,012		\$ 155,329,012	\$ 155,329,013	\$ 1
Tuition from Individuals	43,269		43,269	85,523	42,254
Tuition from other LEAs within the State				137,273	137,273
Tuition from other sources	573,209		573,209	1,051,892	478,683
Transportation fees from other LEAs within the State	40,000		40,000	73,892	33,892
Rents and Royalties	110,000		110,000	126,355	16,355
Interest Earned on Investments				123,884	123,884
Solar Credits	370,000		370,000	453,964	83,964
Miscellaneous	375,000		375,000	1,082,222	707,222
Interest Earned on Current Expense Emergency Reserve	2,450		2,450	2,450	
Interest Earned on Maintenance Reserve	11,200		11,200	11,200	
Interest Earned on Capital Reserve Funds	15,995		15,995	15,995	
<b>Total - Local Sources</b>	<b>156,870,135</b>		<b>156,870,135</b>	<b>158,493,663</b>	<b>1,623,528</b>
<b>State Sources:</b>					
Equalization Aid	39,941,537		39,941,537	39,941,537	
Categorical Special Education Aid	9,865,327		9,865,327	9,865,327	
Transportation Aid	5,458,073		5,458,073	5,458,073	
Security Aid	2,538,055		2,538,055	2,538,055	
Adjustment Aid	10,643,647	\$ (2,462,355)	8,181,292	8,181,292	
Non-Public Transportation Aid	104,400		104,400	225,330	120,930
Extraordinary Aid	850,000		850,000	2,391,665	1,541,665
TPAF Pension (On-Behalf - Non-Budgeted)				17,918,138	17,918,138
TPAF Post-retirement Medical (On-Behalf-Non-Budgeted)				8,127,640	8,127,640
TPAF Non-contributory Insurance (On-Behalf- Non Budgeted)				15,657	15,657
TPAF Social Security (Reimbursed - Non-Budgeted)				6,861,908	6,861,908
<b>Total State Sources</b>	<b>69,401,039</b>	<b>(2,462,355)</b>	<b>66,938,684</b>	<b>101,524,622</b>	<b>34,585,938</b>
<b>Federal Sources:</b>					
Medical Assistance Program - MAC				56,200	56,200
Medical Assistance Program	290,578		290,578	411,795	121,217
<b>Total - Federal Sources</b>	<b>290,578</b>		<b>290,578</b>	<b>467,995</b>	<b>177,417</b>
<b>Total Revenues</b>	<b>226,561,752</b>	<b>(2,462,355)</b>	<b>224,099,397</b>	<b>260,486,280</b>	<b>36,386,883</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	3,433,990	(147,752)	3,286,238	3,257,846	28,392
Grades 1-5 - Salaries of Teachers	22,770,063	(1,209,006)	21,561,057	21,520,041	41,016
Grades 6-8 - Salaries of Teachers	15,567,445	(291,851)	15,275,594	15,271,991	3,603
Grades 9-12 - Salaries of Teachers	21,749,470	(832,996)	20,916,474	20,873,894	42,580
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	130,000	32,111	162,111	162,111	
Purchased Professional-Educational Services	95,000	(29,761)	65,239	64,534	705
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	97,302		97,302	95,811	1,491
Purchased Professional-Educational Services	1,925,600	716,748	2,642,348	2,636,290	6,058
Purchased Technical Services	299,975	(12,666)	287,309	263,062	24,247
Other Purchased Services	2,215,300	18,493	2,233,793	2,036,687	197,106
General Supplies	1,459,400	81,086	1,540,486	1,093,240	447,246
Textbooks	1,219,500	(410,730)	808,770	644,747	164,023
Other Objects	184,000	149,057	333,057	304,107	28,950
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>71,147,045</b>	<b>(1,937,267)</b>	<b>69,209,778</b>	<b>68,224,361</b>	<b>985,417</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Cognitive - Mild:</b>					
Salaries of Teachers	372,245	(15,020)	357,225	357,049	176
Other Salaries for Instruction	398,617	(20,000)	378,617	357,638	20,979
Purchased Professional-Educational Services	132,560	35,000	167,560	159,159	8,401
General Supplies	10,300	(4,652)	5,648	4,444	1,204
<b>Total Cognitive - Mild</b>	<b>913,722</b>	<b>(4,672)</b>	<b>909,050</b>	<b>878,290</b>	<b>30,760</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Cognitive - Moderate:</b>					
Salaries of Teachers	\$ 73,335	\$ 1,110	\$ 74,445	\$ 74,444	\$ 1
Other Salaries for Instruction	44,440	(1,647)	42,793	42,793	
Purchased Professional-Educational Services	48,320		48,320	21,207	27,113
General Supplies	3,700	439	4,139	2,797	1,342
Textbooks	500	(500)			
<b>Total Cognitive - Moderate</b>	<b>170,295</b>	<b>(598)</b>	<b>169,697</b>	<b>141,241</b>	<b>28,456</b>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	2,619,787	32,182	2,651,969	2,569,240	82,729
Other Salaries for Instruction	1,663,739	(142,597)	1,521,142	1,271,366	249,776
Purchased Professional-Educational Services	499,850	112,874	612,724	607,342	5,382
General Supplies	46,000	(16,196)	29,804	29,645	159
<b>Total Learning and/or Language Disabilities</b>	<b>4,829,376</b>	<b>(13,737)</b>	<b>4,815,639</b>	<b>4,477,593</b>	<b>338,046</b>
<b>Auditory Impairments:</b>					
Salaries of Teachers	217,743	(34,496)	183,247	160,280	22,967
Other Salaries for Instruction	29,662	(864)	28,798	216	28,582
Purchased Professional-Educational Services	42,100	(8,272)	33,828	28,956	4,872
General Supplies	6,000	(408)	5,592	5,591	1
Textbooks	500	(500)			
<b>Total Auditory Impairments</b>	<b>296,005</b>	<b>(44,540)</b>	<b>251,465</b>	<b>195,043</b>	<b>56,422</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	421,726	4,314	426,040	424,121	1,919
Other Salaries for Instruction	193,040	15,617	208,657	206,227	2,430
Purchased Professional-Educational Services	118,060	(16,964)	101,096	96,539	4,557
General Supplies	13,000	(4,834)	8,166	7,483	683
Textbooks	1,600	(796)	804	803	1
<b>Total Behavioral Disabilities</b>	<b>747,426</b>	<b>(2,663)</b>	<b>744,763</b>	<b>735,173</b>	<b>9,590</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	245,951	(5,721)	240,230	240,098	132
Other Salaries for Instruction	462,145	(49,181)	412,964	410,495	2,469
Purchased Professional-Educational Services	140,380	34,200	174,580	172,491	2,089
General Supplies	13,000	(1,670)	11,330	10,206	1,124
Other Objects	500		500	500	
<b>Total Multiple Disabilities</b>	<b>861,976</b>	<b>(22,372)</b>	<b>839,604</b>	<b>833,790</b>	<b>5,814</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	7,490,195	(14,540)	7,475,655	7,445,474	30,181
Other Salaries for Instruction	30,400		30,400	30,400	
Purchased Professional-Educational Services	141,320	13,763	155,083	152,439	2,644
General Supplies	38,000	(21,336)	16,664	14,844	1,820
Textbooks	3,000	(1,360)	1,640	1,640	
<b>Total Resource Room/Resource Center</b>	<b>7,702,915</b>	<b>(23,473)</b>	<b>7,679,442</b>	<b>7,644,797</b>	<b>34,645</b>
<b>Autism:</b>					
Salaries of Teachers	1,608,733	98,733	1,707,466	1,685,109	22,357
Other Salaries for Instruction	1,692,953	(172,441)	1,520,512	1,515,004	5,508
Purchased Professional-Educational Services	922,350	508,504	1,430,854	1,383,380	47,474
General Supplies	61,100	(9,006)	52,094	44,064	8,030
Textbooks	500	(500)			
Other Objects		5,422	5,422	5,422	
<b>Total Autism</b>	<b>4,285,636</b>	<b>430,712</b>	<b>4,716,348</b>	<b>4,632,979</b>	<b>83,369</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	800,186	94,135	894,321	892,293	2,028
Other Salaries for Instruction	576,198	(16,399)	559,799	552,399	7,400
Purchased Professional-Educational Services	180,520	38,981	219,501	217,530	1,971
Other Purchased Services	5,000	700	5,700	5,588	112
General Supplies	15,000	17,881	32,881	31,735	1,146
<b>Total Preschool Disabilities - Part-Time</b>	<b>1,576,904</b>	<b>135,298</b>	<b>1,712,202</b>	<b>1,699,545</b>	<b>12,657</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	\$ 434,975		\$ 434,975	\$ 417,599	\$ 17,376
Other Salaries for Instruction	141,100		141,100	123,664	17,436
Purchased Professional-Educational Services	40,140	\$ 14,852	54,992	47,036	7,956
General Supplies	2,200	(2,200)			
<b>Total Preschool Disabilities - Full-Time</b>	<b>618,415</b>	<b>12,652</b>	<b>631,067</b>	<b>588,299</b>	<b>42,768</b>
<b>Home Instruction:</b>					
Salaries of Teachers	130,000	48,622	178,622	178,622	
Purchased Professional-Educational Services	145,000	(67,013)	77,987	34,724	43,263
<b>Total Home Instruction</b>	<b>275,000</b>	<b>(18,391)</b>	<b>256,609</b>	<b>213,346</b>	<b>43,263</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>22,277,670</b>	<b>448,216</b>	<b>22,725,886</b>	<b>22,040,096</b>	<b>695,380</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	850,050	(42,153)	807,897	801,691	6,206
Other Purchased Services	300		300		300
General Supplies	8,200		8,200	25	8,175
Textbooks	1,500		1,500		1,500
<b>Total Basic Skills/Remedial - Instruction</b>	<b>860,050</b>	<b>(42,153)</b>	<b>817,897</b>	<b>801,716</b>	<b>16,181</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	630,935	(18,700)	612,235	590,080	22,155
Other Purchased Services	3,200	(20)	3,180	97	3,083
General Supplies	5,000		5,000		5,000
Other Objects	2,500		2,500		2,500
<b>Total Bilingual Education - Instruction</b>	<b>641,635</b>	<b>(18,720)</b>	<b>622,915</b>	<b>590,177</b>	<b>32,738</b>
<b>School-Sponsored Cocurricular Activities - Instruction:</b>					
Salaries	645,000	(17,188)	627,812	624,654	3,158
Purchased Services	53,000	29,766	82,766	51,913	30,853
Supplies and Materials	147,200	25,682	172,882	106,515	66,367
Other Objects	20,000	51,239	71,239	63,513	7,726
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>865,200</b>	<b>89,499</b>	<b>954,699</b>	<b>846,595</b>	<b>108,104</b>
<b>School-Sponsored Athletics:</b>					
Salaries	2,570,087	(22,900)	2,547,187	2,409,090	138,097
Purchased Services	361,750	44,999	406,749	327,138	79,611
Supplies and Materials	233,500	(12,230)	221,270	192,476	28,794
Other Objects	130,500	(3,395)	127,105	99,139	27,966
<b>Total School-Sponsored Athletics</b>	<b>3,295,837</b>	<b>6,474</b>	<b>3,302,311</b>	<b>3,027,843</b>	<b>274,468</b>
<b>Community Services Programs/Operations:</b>					
Salaries	28,168	40	28,208	28,208	
Other Purchased Services	2,250	(40)	2,210		2,210
Supplies and Materials	4,200		4,200	1,050	3,150
Other Objects	1,000		1,000	100	900
<b>Total Community Services Programs/Operations</b>	<b>35,618</b>	<b>(40)</b>	<b>35,618</b>	<b>29,358</b>	<b>6,260</b>
<b>TOTAL INSTRUCTION</b>	<b>99,123,055</b>	<b>(1,453,951)</b>	<b>97,669,104</b>	<b>95,560,146</b>	<b>2,118,548</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	250,000	66,454	316,454	268,671	47,783
Tuition to Other LEAs Within the State - Special	355,351	47,769	403,120	281,521	121,599
Tuition to County Voc. School Dist. - Regular	370,000	31,583	401,583	346,208	55,375
Tuition to CSSD & Regional Day Schools	1,513,753	454,903	1,968,656	1,941,318	27,338
Tuition to Private Schools for the Disabled - Within State	3,065,262	594,160	3,659,422	3,366,094	293,328
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	189,424	24,909	214,333	188,254	26,079
Tuition - State Facilities	338,875	(36,247)	302,628	302,628	
Tuition - Other	130,000	(69,005)	60,995	23,070	37,925
<b>Total Undistributed Expenditures - Instruction</b>	<b>6,212,665</b>	<b>1,114,526</b>	<b>7,327,191</b>	<b>6,717,764</b>	<b>609,427</b>
<b>Undistributed Expend. - Attend. &amp; Social Work:</b>					
Salaries	174,050		174,050	174,020	30
Other Purchased Services	2,500	(2,400)	100	10	90
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>176,550</b>	<b>(2,400)</b>	<b>174,150</b>	<b>174,030</b>	<b>120</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Health Services:</b>					
Salaries	\$ 2,471,132	\$ (93,823)	\$ 2,377,309	\$ 2,377,257	\$ 52
Purchased Professional and Technical Services	691,100	486,188	1,177,288	1,097,432	79,856
Supplies and Materials	110,800	(37,732)	73,068	66,281	6,787
<b>Total Undistributed Expenditures - Health Services</b>	<b>3,273,032</b>	<b>354,633</b>	<b>3,627,665</b>	<b>3,540,970</b>	<b>86,695</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT, Related Services:</b>					
Salaries	1,955,907	54,067	2,009,974	2,007,554	2,420
Purchased Professional - Educational Services	1,527,073	(19,647)	1,507,426	1,455,758	51,668
Supplies and Materials	24,100	(9,672)	14,428	8,385	6,043
Other Objects		6,423	6,423	5,810	613
<b>Total Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT, Related Services</b>	<b>3,507,080</b>	<b>31,171</b>	<b>3,538,251</b>	<b>3,477,507</b>	<b>60,131</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Services:</b>					
Salaries	2,457	(2,457)			
Other Salaries for Instruction	1,080	(1,080)			
Supplies and Materials	4,000	(4,000)			
Other Objects	7,000	(7,000)			
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Services</b>	<b>14,537</b>	<b>(14,537)</b>			
<b>Undist. Expend. - Guidance:</b>					
Salaries of Other Professional Staff	3,333,624	61	3,333,685	3,291,174	42,511
Salaries of Secretarial and Clerical Assistants	621,851	(3,000)	618,851	601,599	17,252
Purchased Professional - Educational Services	1,000	(1,000)			
Other Purchased Services	1,750	(750)	1,000		1,000
Supplies and Materials	29,500	925	30,425	14,275	16,150
Other Objects	10,300	103	10,403	2,427	7,976
<b>Total Undist. Expend. - Guidance</b>	<b>3,998,025</b>	<b>(3,661)</b>	<b>3,994,364</b>	<b>3,909,475</b>	<b>84,889</b>
<b>Undist. Expend. - Child Study Teams:</b>					
Salaries of Other Professional Staff	3,126,464	(1,509)	3,124,955	3,104,441	20,514
Salaries of Secretarial and Clerical Assistants	454,480	(495)	453,985	444,729	9,256
Purchased Prof. - Educational Services	105,000	92,737	197,737	144,017	53,720
Other Purchased Prof. and Tech. Services	86,500	(29,316)	57,184	57,183	1
Supplies and Materials	53,500	(23,403)	30,097	27,722	2,375
Other Objects	1,000	5,500	6,500	5,463	1,037
<b>Total Undist. Expend. - Child Study Teams</b>	<b>3,826,944</b>	<b>43,514</b>	<b>3,870,458</b>	<b>3,783,555</b>	<b>86,903</b>
<b>Undist. Expend. - Improvement of Inst. Services:</b>					
Salaries of Supervisors of Instruction	2,636,510	43,746	2,680,256	2,666,607	13,649
Salaries of Other Professional Staff	95,000	(45,318)	49,682	49,330	352
Salaries of Secretarial and Clerical Assistants	40,068	572	40,640	39,968	672
Purchased Prof. - Educational Services	10,000	7,400	17,400	10,226	7,174
Other Purchased Services	6,000	16	6,016	325	5,691
Supplies and Materials	11,000		11,000	794	10,206
Other Objects	5,000		5,000	3,266	1,734
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>2,803,578</b>	<b>6,416</b>	<b>2,809,994</b>	<b>2,770,516</b>	<b>39,478</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library:</b>					
Salaries	1,767,458		1,767,458	1,676,165	91,293
Purchased Professional & Technical Services	2,000		2,000		2,000
Other Purchased Services	5,000	(1,495)	3,505		3,505
Supplies and Materials	139,000	6,983	145,983	108,681	37,302
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>1,913,458</b>	<b>5,488</b>	<b>1,918,946</b>	<b>1,784,846</b>	<b>134,100</b>
<b>Undist. Expend. - Instructional Staff Training Service:</b>					
Salaries - Other Professional Staff	30,000		30,000	20,820	9,180
Purchased Professional - Educational Services	120,000	22,535	142,535	118,142	24,393
Other Objects	5,000		5,000	2,324	2,676
<b>Total Undist. Expend. - Instructional Staff Training Service</b>	<b>155,000</b>	<b>22,535</b>	<b>177,535</b>	<b>141,286</b>	<b>36,249</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Supp. Serv. - General Administration:</b>					
Salaries	\$ 1,365,294		\$ 1,365,294	\$ 1,358,392	\$ 6,902
Legal Services	475,000	\$ 150,000	625,000	584,334	40,666
Audit Fees	100,000		100,000	97,000	3,000
Architectural/Engineering Services	90,000	166,702	256,702	145,339	111,363
Other Purchased Professional Services	175,000	68,580	243,580	208,053	35,527
Communications/Telephone	340,000	50,133	390,133	331,088	59,045
Board of Education Other Purchased Services	7,500	1,600	9,100	2,882	6,218
Other Purchased Services	648,275	(89,020)	559,255	428,585	130,670
General Supplies	21,500	151	21,651	12,479	9,172
Board of Education In-House Training/Meeting Supplies	5,000		5,000	2,790	2,210
Judgements Against the School District	40,000	(15,000)	25,000		25,000
Miscellaneous Expenditures	60,230	1,287	61,517	43,467	18,110
Board of Education Dues and Fees	28,000		28,000	26,663	1,337
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>3,355,799</b>	<b>334,433</b>	<b>3,690,232</b>	<b>3,241,012</b>	<b>449,220</b>
<b>Undist. Expend. - Support Serv. - School Administration:</b>					
Salaries of Principals/Assistant Principals	5,308,790	(49,884)	5,258,906	5,179,265	79,641
Salaries of Secretarial and Clerical Assistants	2,697,857	27,211	2,725,068	2,568,633	156,435
Travel	2,000		2,000		2,000
Supplies and Materials	57,500	42,705	100,205	35,911	64,294
Other Objects	124,600	10,312	134,912	90,730	44,182
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>8,190,747</b>	<b>30,344</b>	<b>8,221,091</b>	<b>7,874,539</b>	<b>346,552</b>
<b>Undist. Expend. - Central Services:</b>					
Salaries	2,253,460	17,318	2,270,778	2,269,358	1,420
Purchased Professional Services	10,000	15,000	25,000	13,437	11,563
Purchased Technical Services	22,500	471	22,971	16,267	6,704
Misc Purchased Services	51,700	950	52,650	43,210	9,440
Supplies and Materials	82,490	4,493	86,983	28,972	58,011
Miscellaneous Expenditures	21,750	37,419	59,169	12,919	46,250
<b>Total Undist. Expend. - Central Services</b>	<b>2,441,900</b>	<b>75,651</b>	<b>2,517,551</b>	<b>2,384,163</b>	<b>133,388</b>
<b>Undist. Expend. - Technology Administration:</b>					
Salaries	1,084,970		1,084,970	1,076,731	8,239
Purchased Professional Services	33,000	773	33,773	33,773	
Purchased Technical Services	227,700	8,682	236,382	205,385	30,997
Other Purchased Services	100,150	30,797	130,947	122,417	8,530
Rentals	47,100		47,100	46,444	656
Travel		1,134	1,134	574	560
Supplies and Materials	90,900	59,083	149,983	71,101	78,882
Other Objects	3,000	2,900	5,900	1,005	4,895
<b>Total Undist. Expend. - Technology Administration</b>	<b>1,586,820</b>	<b>103,369</b>	<b>1,690,189</b>	<b>1,557,430</b>	<b>132,759</b>
<b>Undist. Expend. - Required Maint. for School Facilities:</b>					
Salaries	2,368,808	(151,905)	2,216,903	2,175,913	40,990
Cleaning, Repair and Maintenance Services	520,385	261,080	781,465	631,210	150,255
General Supplies	503,773	204,796	708,569	501,390	207,179
Other Objects	22,500	(8,469)	14,031	6,230	7,801
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>3,415,466</b>	<b>305,502</b>	<b>3,720,968</b>	<b>3,314,743</b>	<b>406,225</b>
<b>Undist. Expend. - Custodial Services:</b>					
Salaries	5,604,160	(187,670)	5,416,490	5,416,490	
Salaries of Non-Instructional Aides	424,141	(48,622)	375,519	375,519	
Cleaning, Repair and Maintenance Services	335,200	15,687	350,887	341,690	9,197
Other Purchased Property Services	485,000	(7,013)	477,987	476,968	1,019
Insurance	646,998	83,001	729,999	729,906	93
Travel	1,500	(1,500)			
Miscellaneous Purchased Services	25,000	(25,000)			
General Supplies	405,000	(96,045)	308,955	268,179	40,776
Natural Gas	800,000	(192)	799,808	718,779	81,029
Electricity	2,000,000	438,706	2,438,706	2,438,706	
Other Objects	48,000	(11,481)	36,519	35,955	564
Interest-Energy Savings Improvement Program Bonds	722,007	(1)	722,006	722,006	
<b>Total Undist. Expend. - Custodial Services</b>	<b>11,497,006</b>	<b>159,870</b>	<b>11,656,876</b>	<b>11,524,198</b>	<b>132,678</b>

Toms River Regional Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Care and Upkeep of Grounds:</b>					
Salaries	\$ 774,000	\$ (44,779)	\$ 729,221	\$ 675,839	\$ 53,382
Cleaning, Repair and Maintenance Services	110,000	7,139	117,139	83,415	33,724
General Supplies	250,000	(7,617)	242,383	190,098	52,285
Other Objects	20,000	(9,000)	11,000	4,240	6,760
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>1,154,000</b>	<b>(54,257)</b>	<b>1,099,743</b>	<b>953,592</b>	<b>146,151</b>
<b>Undist. Expend. - Security:</b>					
Salaries	1,181,259	(104,399)	1,076,860	1,071,928	4,932
Purchased Professional & Technical Services		355,600	355,600	324,104	31,496
Cleaning, Repair and Maintenance Services	25,000	(22,300)	2,700		2,700
General Supplies	30,000	(8,336)	21,664	16,670	4,994
Other Objects	12,500	(9,000)	3,500	2,435	1,065
<b>Total Undist. Expend. - Security</b>	<b>1,248,759</b>	<b>211,565</b>	<b>1,460,324</b>	<b>1,415,137</b>	<b>45,187</b>
<b>Undist. Expend. - Student Transportation Services:</b>					
Salaries for Pupil Trans. (Between Home & School) - Regular	5,108,596	(427,597)	4,680,999	4,678,796	2,203
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	2,813,049	310,145	3,123,194	3,120,199	2,995
Salaries for Pupil Trans. Other than Between Home & School	150,000	99,068	249,068	249,067	1
Other Purchased Professional and Technical Services	7,500	(7,400)	100	28	72
Cleaning, Repair & Maintenance Services	31,200	19,888	51,088	50,017	1,071
Lease Purchase Payments-School Buses	832,000	46,100	878,100	878,057	43
Contracted Services Aid In Lieu of Payment for Non-public School Students	750,000	122,500	872,500	849,872	22,628
Contracted Services (Between Home and School) - Vendors	425,000	(134,916)	290,084	279,376	10,708
Contracted Services (Other than Between Home and School) - Vendors	25,000	(23,628)	1,372	588	784
Contracted Services (Between Home and School) - Joint Agreements	10,000	(4,000)	6,000	6,000	
Contracted Services (Sp. Ed.) - Vendors	1,300,000	511,067	1,811,067	1,659,063	152,004
Contracted Services (Sp. Ed.) - Joint Agreements	80,000	(35,487)	44,513	43,429	1,084
Contracted Services (Regular Students) - ESCs	12,500	(12,500)			
Contracted Services (Special Education Students) - ESCs	125,000	346,913	471,913	458,176	13,737
Miscellaneous Purchased Services - Transportation	150,000	(38,895)	111,105	65,429	45,676
General Supplies	41,110	(30,620)	10,490	9,734	756
Transportation Supplies	675,000	(8,387)	666,613	629,914	36,699
Other Objects	1,335,000	(307,864)	1,027,136	997,795	29,341
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>13,870,955</b>	<b>424,387</b>	<b>14,295,342</b>	<b>13,975,540</b>	<b>319,802</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	2,928,091	(69,978)	2,858,113	2,696,935	161,178
TPAF Contributions Regular		98,325	98,325		
TPAF Contributions ERIP	120,000		120,000	69,859	50,141
Other Retirement Contributions - PERS	4,081,398	(194,735)	3,886,663	3,846,180	40,483
Other Retirement Contributions - Deferred PERS Payment	164,108		164,108	151,401	12,707
Workmen's Compensation	1,914,366	1,323,338	3,237,704	3,227,604	10,100
Health Benefits	45,610,060	(318,818)	45,291,242	45,151,297	139,945
Tuition Reimbursement	60,000		60,000	16,983	43,017
Other Employee Benefits	2,174,827	(94,978)	2,079,849	1,874,572	205,277
<b>Total Unallocated Benefits</b>	<b>57,052,850</b>	<b>743,154</b>	<b>57,796,004</b>	<b>57,034,831</b>	<b>662,848</b>
TPAF Pension Contributions (On-behalf - Non-Budgeted)				17,918,138	(17,918,138)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				8,127,640	(8,127,640)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				15,657	(15,657)
Reimbursed TPAF Social Security Contributions (non-budgeted)				6,861,908	(6,861,908)
<b>Total On-behalf Contributions</b>				<b>32,923,343</b>	<b>(32,923,343)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>129,695,171</b>	<b>3,891,703</b>	<b>133,586,874</b>	<b>162,498,477</b>	<b>(29,010,541)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>228,818,226</b>	<b>2,437,752</b>	<b>231,255,978</b>	<b>258,058,623</b>	<b>(26,802,645)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs-Instruction:</b>					
Grades 1-5	10,000	4,688	14,688	4,688	10,000
Grades 6-8	15,000		15,000		15,000
Grades 9-12	25,000	(4,353)	20,647	5,646	15,001
<b>Special Education-Instruction:</b>					
Multiple Disabilities	10,000	2,236	12,236	9,663	2,573
Autism	4,000	(4,000)			
Preschool Disabilities - Part Time	4,000	(4,000)			
School- Spons. & Other Instruction Program	9,000	22,847	31,847	25,847	6,000

General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures:</b>					
Undistributed Exp.-Instruction		\$ 2,995	\$ 2,995	\$ 2,995	
Support Services - Instructional Staff	\$ 6,000	1,495	7,495		\$ 7,495
Support Services - Related Services	15,000	(15,000)			
School Administration	18,000	(3,000)	15,000	2,598	12,402
Central Services	8,000	12,175	20,175	17,175	3,000
Admin Info Tech	10,000	20,195	30,195	20,195	10,000
Undistributed Exp.-Req. Maint. of School Facilities	20,000	(1,258)	18,742	5,742	13,000
Undistributed Exp.-Custodial Services	25,000	(637)	24,363	24,316	47
Undistributed Exp.-Care and Upkeep of Grounds	20,000	55,298	75,298	50,297	25,001
Undistributed Exp.-Security	20,000	(12,565)	7,435		7,435
<b>Undistributed Exp.-Non-Instructional Services:</b>					
Non-Instructional Equipment	40,000	(12,794)	27,206	27,205	1
<b>Total Equipment</b>	<b>259,000</b>	<b>64,322</b>	<b>323,322</b>	<b>196,367</b>	<b>126,955</b>
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	30,000	221,044	251,044	209,776	41,268
Construction Services	650,000	283,439	933,439	703,465	229,974
Other Objects - Debt Service Assessment	371,261		371,261	371,261	
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,051,261</b>	<b>504,483</b>	<b>1,555,744</b>	<b>1,284,502</b>	<b>271,242</b>
Assets acquired under capital leases (non budgeted)				1,855,554	(1,855,554)
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,310,261</b>	<b>568,805</b>	<b>1,879,066</b>	<b>3,336,423</b>	<b>(1,457,357)</b>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction:</b>					
Salaries of Teachers	40,000	(10,500)	29,500	29,156	344
General Supplies	500		500		500
Other Objects	1,000	7,500	8,500	8,350	150
<b>Total Instruction</b>	<b>41,500</b>	<b>(3,000)</b>	<b>38,500</b>	<b>37,506</b>	<b>994</b>
<b>Total Summer School</b>	<b>41,500</b>	<b>(3,000)</b>	<b>38,500</b>	<b>37,506</b>	<b>994</b>
<b>TOTAL SPECIAL SCHOOLS</b>	<b>41,500</b>	<b>(3,000)</b>	<b>38,500</b>	<b>37,506</b>	<b>994</b>
<b>TOTAL EXPENDITURES</b>	<b>230,169,987</b>	<b>3,003,557</b>	<b>233,173,544</b>	<b>261,432,552</b>	<b>(28,259,008)</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(3,608,235)</b>	<b>(5,465,912)</b>	<b>(9,074,147)</b>	<b>(946,272)</b>	<b>8,127,875</b>
<b>Other Financing Sources:</b>					
Capital lease proceeds				1,855,554	1,855,554
Transfer in	112,280		112,280	112,280	
<b>Total Other Financing Sources</b>	<b>112,280</b>		<b>112,280</b>	<b>1,967,834</b>	<b>1,855,554</b>
<b>Extraordinary Item- Restitution proceeds</b>				<b>8,817</b>	<b>8,817</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources (Uses) and Extraordinary Item</b>	<b>(3,495,955)</b>	<b>(5,465,912)</b>	<b>(8,961,867)</b>	<b>1,030,379</b>	<b>9,992,246</b>
<b>Fund Balance, July 1</b>	<b>24,970,687</b>		<b>24,970,687</b>	<b>24,970,687</b>	
<b>Fund Balance, June 30</b>	<b>\$ 21,474,732</b>	<b>\$ (5,465,912)</b>	<b>\$ 16,008,820</b>	<b>\$ 26,001,066</b>	<b>\$ 9,992,246</b>



General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation of (Deficiency) Excess of Revenues and Other Financing Sources (uses) (Under) Over Expenditures and Extraordinary Item:</b>					
Budgeted Fund Balance	\$ (1,695,600)	\$ (2,462,355)	\$ (4,157,955)	\$ 7,034,291	\$ 11,192,246
Adjustment for Prior Year Encumbrances		(3,003,557)	(3,003,557)	(3,003,557)	
Withdrawal Capital Reserve	(430,000)		(430,000)	(430,000)	
Withdrawal Maintenance Reserve	(1,400,000)		(1,400,000)	(2,600,000)	(1,200,000)
Interest earned on Maintenance Reserve	11,200		11,200	11,200	
Interest earned on Emergency Reserve	2,450		2,450	2,450	
Interest earned on Capital Reserve	15,995		15,995	15,995	
<b>Total</b>	<b>\$ (3,495,955)</b>	<b>\$ (5,465,912)</b>	<b>\$ (8,961,867)</b>	<b>\$ 1,030,379</b>	<b>\$ 9,992,246</b>
<b>Recapitulation of Fund Balance:</b>					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 590,534	
Excess Surplus-current year				1,052,319	
Capital Reserve				5,827,261	
Maintenance Reserve				4,608,020	
Maintenance Reserve (utilized in subsequent year's budget)				2,000,000	
Emergency Reserve				712,315	
Assigned to:					
Designated for Subsequent Year's Expenditures				1,409,466	
Additional Assigned Fund Balance for Subsequent Year's Expenditures				1,541,665	
Year End Encumbrances				2,063,818	
Unassigned Fund Balance				6,195,668	
				<u>26,001,066</u>	
<b>Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:</b>					
Final State Aid Payments Not Realized on GAAP Basis				(6,539,432)	
Solar Renewable Energy Credit Revenue Realized on GAAP Basis				57,505	
Fund balance per Government Funds (GAAP)				<u>\$ 19,519,139</u>	

Toms River Regional School District  
Special Revenue Fund

Budgetary Comparison Schedule

(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 5,327,464	\$ 2,943,898	\$ 8,271,362	\$ 7,743,083	\$ (528,279)
State Sources	1,036,197	345,520	1,381,717	969,816	(411,901)
Local Sources	587,340	77,646	664,986	339,305	(325,681)
Total revenues	<u>6,951,001</u>	<u>3,367,064</u>	<u>10,318,065</u>	<u>9,052,204</u>	<u>(1,265,861)</u>
Expenditures:					
Instruction:					
Salaries of teachers		1,685,211	1,685,211	1,680,179	5,032
Other salaries for instruction		85,020	85,020	41,850	43,170
Purchased professional and technical serv		573	573	573	
Purchased professional educational services		192,961	192,961	134,587	58,374
Cleaning, repair and maintenance		7,268	7,268	4,696	2,572
Other purchased professional services	113,250	126,975	240,225	220,271	19,954
Contracted services - vendors		1,201	1,201		1,201
Tuition	3,031,787	551,008	3,582,795	3,580,982	1,813
Travel		21,267	21,267	5,927	15,340
General supplies	790,692	94,474	885,166	529,745	355,421
Textbooks	75,871	(1,966)	73,905	72,850	1,055
Other objects		35,334	35,334	25,302	10,032
Total instruction	<u>4,011,600</u>	<u>2,799,326</u>	<u>6,810,926</u>	<u>6,296,962</u>	<u>513,964</u>
Support services:					
Salaries of other professional staff		49,777	49,777	49,499	278
Personal services-employee benefits	379,496	365,009	744,505	744,504	1
Purchased professional educational services	2,559,905	(842,444)	1,717,461	1,191,822	525,639
Contracted services - vendors		500	500		500
Supplies and materials		11,170	11,170	11,170	
Other objects		189,625	189,625	14,806	174,819
Total support services	<u>2,939,401</u>	<u>(226,363)</u>	<u>2,713,038</u>	<u>2,011,801</u>	<u>701,237</u>
Facilities acquisition and construction services:					
Buildings		435,150	435,150	435,150	
Instructional equipment		109,826	109,826	59,166	50,660
Non-instructional equipment		249,125	249,125	249,125	
Total facilities acquisition and construction services		<u>794,101</u>	<u>794,101</u>	<u>743,441</u>	<u>50,660</u>
Total expenditures	<u>6,951,001</u>	<u>3,367,064</u>	<u>10,318,065</u>	<u>9,052,204</u>	<u>1,265,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Windsor Regional School District  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2019

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 260,486,280	\$ 9,052,204
<b>Differences - Budgetary to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year, net of cancellations		519,459
Current year		(859,753)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	6,608,871	
Current year	(6,539,432)	
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis		
Prior year	(62,930)	
Current year	57,505	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 260,550,294	\$ 8,711,910
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 261,432,552	\$ 9,052,204
<b>Differences - Budgetary to GAAP:</b>		
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, net of cancellations		519,459
Current year		(859,753)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 261,432,552	\$ 8,711,910

## 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, 2019

	Title I, Part A	Part B, Basic	I.D.E.A. Preschool	Title II A	Title III	Title III Immigrant	Title IV	Tech Ready Navy Grant	Navy STEM	EPA National Clean Diesel Rebate Program
Revenues:										
Federal sources	\$ 2,230,113	\$ 3,771,374	\$ 127,069	\$ 469,369	\$ 46,372	\$ 10,939	\$ 134,171	\$ 294,420	\$ 9,109	\$ 200,000
State sources										
Other sources										
Total revenues	\$ 2,230,113	\$ 3,771,374	\$ 127,069	\$ 469,369	\$ 46,372	\$ 10,939	\$ 134,171	\$ 294,420	\$ 9,109	\$ 200,000
Expenditures:										
Instruction:										
Salaries of teachers	\$ 1,338,359			\$ 301,510	\$ 31,500					
Other salaries for instruction								\$ 27,350		
Purchased professional and technical serv										
Purchased professional educational services	33,677					\$ 5,000		73,810		
Other purchased professional services										
Cleaning, repair and maintenance										
Tuition		\$ 3,453,913	\$ 127,069							
Travel									\$ 3,012	
General supplies	67,769	10,048			3,924	\$ 6,877	34,225	136,685		
Textbooks							10,020			
Other objects							49,245			
Total instruction	1,439,805	3,463,961	127,069	301,510	35,424	6,877	240,425	240,425	3,401	6,413
Support services:										
Salaries of other professional staff	39,619				2,100	468	7,312			
Personal services--employee benefits	613,482			128,399	694	36	559	1,334		
Purchased professional educational services	130,943	307,413		39,460	2,508	76,705				
Supplies and materials	1,966			5,296		358				
Other objects	4,298			350				2,642		
Total support services	790,308	307,413		167,859	10,948	4,062	84,926	3,976		
Facilities acquisition and construction services:										
Buildings								50,019	2,696	200,000
Instructional equipment										
Non-instructional equipment								50,019	2,696	200,000
Total facilities acquisition and construction services								294,420	9,109	200,000
Total expenditures	\$ 2,230,113	\$ 3,771,374	\$ 127,069	\$ 469,369	\$ 46,372	\$ 10,939	\$ 134,171	\$ 294,420	\$ 9,109	\$ 200,000

Toms River Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2019

	Federal Emergency Management Assistance	NEA Big Read	Empower Health	Textbooks	Auxiliary Services Ch 192	Transportation	New Jersey Non-Public Aid Handicapped Services Ch 193	Nursing	Technology	Security
Revenues:										
Federal sources	\$ 435,150	\$ 14,997	\$ 5,986	\$ 72,850	\$ 232,490	\$ 38,294	\$ 231,507	\$ 132,502	\$ 49,091	\$ 207,096
State sources										
Other sources										
Total revenues	\$ 435,150	\$ 14,997	\$ 5,986	\$ 72,850	\$ 232,490	\$ 38,294	\$ 231,507	\$ 132,502	\$ 49,091	\$ 207,096
Expenditures:										
Instruction:										
Salaries of teachers			\$ 4,000							
Other salaries for instruction										
Purchased professional and technical serv	\$	573								
Purchased professional educational services		10,200								
Other purchased professional services										\$ 207,096
Cleaning, repair and maintenance										
Tuition										
Travel		335								
General supplies		3,071	1,986						\$ 46,632	
Textbooks				\$ 72,850						
Other objects		818								
Total instruction		14,997	5,986	72,850					46,632	207,096
Support services:										
Salaries of other professional staff										
Personal services-employee benefits										
Purchased professional educational services					\$ 232,490	\$ 38,294	\$ 231,507	\$ 132,502		
Supplies and materials										
Other objects									2,459	
Total support services					232,490	38,294	231,507	132,502	2,459	
Facilities acquisition and construction services:										
Buildings	\$ 435,150									
Instructional equipment										
Non-instructional equipment	435,150									
Total facilities acquisition and construction services	\$ 435,150	\$ 14,997	\$ 5,986	\$ 72,850	\$ 232,490	\$ 38,294	\$ 231,507	\$ 132,502	\$ 49,091	\$ 207,096
Total expenditures	\$ 435,150	\$ 14,997	\$ 5,986	\$ 72,850	\$ 232,490	\$ 38,294	\$ 231,507	\$ 132,502	\$ 49,091	\$ 207,096

Toms River Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2019

	Other Local Projects	Miscellaneous Donations/Grants	Various Local Grants	Total
<b>Revenues:</b>				
Federal sources				\$ 7,743,083
State sources				969,816
Other sources	\$ 83,144	\$ 31,685	\$ 224,476	339,305
Total revenues	\$ 83,144	\$ 31,685	\$ 224,476	\$ 9,052,204
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of teachers	\$ 207	\$	\$ 8,603	\$ 1,680,179
Other salaries for instruction		\$ 10,500		41,850
Purchased professional and technical serv				573
Purchased professional educational services	8,000	1,400	2,500	134,587
Other purchased professional services			13,175	220,271
Cleaning, repair and maintenance		4,696		4,696
Tuition				3,580,982
Travel				5,927
General supplies	66,613	9,607	142,308	529,745
Textbooks				72,850
Other objects	8,324	425	2,314	25,302
Total instruction	83,144	26,628	168,900	6,296,962
<b>Support services:</b>				
Salaries of other professional staff				49,499
Personal services—employee benefits				744,504
Purchased professional educational services				1,191,822
Supplies and materials				11,170
Other objects		5,057		14,806
Total support services		5,057		2,011,801
<b>Facilities acquisition and construction services:</b>				
Buildings				435,150
Instructional equipment			6,451	59,166
Non-instructional equipment			49,125	249,125
Total facilities acquisition and construction services			55,576	743,441
Total expenditures	\$ 83,144	\$ 31,685	\$ 224,476	\$ 9,052,204



# 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, 2019

	<b>Current Year</b>
<b>Revenues and other financing sources</b>	
Debt issuance	\$ -
Premium on debt issuance	-
Interest earned	313,355
Total revenues and other financing sources	313,355
<b>Expenditures and other financing uses</b>	
Architectural/Engineering Services	2,013,925
Construction services	3,046,157
Interest	-
Costs of issuance	-
Transfers out	-
Total expenditures and other financing uses	5,060,082
Deficiency of revenues under expenditures	(4,746,727)
Fund Balance, July 1	16,853,314
Fund Balance, June 30	\$ 12,106,587

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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	\$ 313,355	392,812	
Total revenues and other financing sources	<u>18,091,018</u>	<u>313,355</u>	<u>18,404,373</u>	<u>16,710,000</u>
<b>Expenditures and other financing uses</b>				
Architectural/Engineering Services	685,870	1,816,483	2,502,353	3,546,812
Construction services		3,046,157	3,046,157	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>4,862,640</u>	<u>6,100,344</u>	<u>16,710,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,853,314</u>	<u>\$ (4,549,285)</u>	<u>\$ 12,304,029</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 Cost	0%
Percentage Completion	33%
Original Target Completion Date	6/30/2019
Revised Target Completion Date	9/1/2019

Toms River Regional School District  
Capital Projects Fund

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

Renovations, Alterations and Improvements at Various Schools-Referendum

From Inception and for the year ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
Debt issuance				\$ 147,148,000
Premium on debt issuance				
Interest Earned				
Total revenues and other financing sources				<u>147,148,000</u>
<b>Expenditures and other financing uses</b>				
Architectural/Engineering Services		\$ 197,442	\$ 197,442	14,300,061
Construction services				131,580,939
Interest				
Costs of issuance				1,267,000
Transfers out				
Total expenditures and other financing uses	-	<u>197,442</u>	<u>197,442</u>	<u>147,148,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (197,442)</u>	<u>\$ (197,442)</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	6/2019			
Bond Authorized	\$ 147,148,000			
Bonds Issued	-			
Original Authorized Cost	147,148,000			
Revised Authorized Cost	<u>\$ 147,148,000</u>			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	0.13%			
Original Target Completion Date	9/1/2020			
Revised Target Completion Date	9/1/2020			

# Fiduciary Funds

Toms River Regional School District  
Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2019

	Trust			Agency			
	Private - Purpose Scholarship Funds	Unemployment Compensation	Totals	Student Activity	Payroll	Class Agency Fund	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 45,351	\$ 6,046,266	\$ 6,091,617	\$ 847,185	\$ 6,965,123	\$ 39,547	\$ 7,851,855
Total assets	<u>45,351</u>	<u>6,046,266</u>	<u>6,091,617</u>	<u>\$ 847,185</u>	<u>\$ 6,965,123</u>	<u>\$ 39,547</u>	<u>\$ 7,851,855</u>
<b>Liabilities</b>							
Payroll deductions and withholdings payable					\$ 1,792,409		\$ 1,792,409
Summer payroll payable					5,172,714		5,172,714
Accounts payable		59,833	59,833				
Due to class funds						\$ 39,547	39,547
Due to student groups				\$ 847,185			847,185
Total liabilities		<u>59,833</u>	<u>59,833</u>	<u>\$ 847,185</u>	<u>\$ 6,965,123</u>	<u>\$ 39,547</u>	<u>\$ 7,851,855</u>
<b>Net position</b>							
Held in trust for unemployment benefits		5,986,433	5,986,433				
Held in trust for scholarships	45,351		45,351				
Total net position	<u>\$ 45,351</u>	<u>\$ 5,986,433</u>	<u>\$ 6,031,784</u>				

Toms River Regional School District  
Student Activity Agency Fund

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2019

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
<b>MIDDLE SCHOOLS:</b>				
Intermediate North	\$ 27,481	\$ 43,301	\$ 33,238	\$ 37,544
Intermediate East	113,726	45,969	41,202	118,493
Intermediate South	51,345	73,275	74,419	50,201
	<u>192,552</u>	<u>162,545</u>	<u>148,859</u>	<u>206,238</u>
<b>HIGH SCHOOLS:</b>				
High School East	223,838	399,115	367,860	255,093
High School North	173,242	356,400	355,902	173,740
High School South	172,683	324,452	285,021	212,114
	<u>569,763</u>	<u>1,079,967</u>	<u>1,008,783</u>	<u>640,947</u>
<b>Total all schools</b>	<u>\$ 762,315</u>	<u>\$ 1,242,512</u>	<u>\$ 1,157,642</u>	<u>\$ 847,185</u>

Toms River Regional School District  
Payroll Agency Fund

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2019

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
<b>Assets</b>				
Cash and cash equivalents	\$ 6,775,908	\$ 164,443,947	\$ 164,254,732	\$ 6,965,123
Total assets	<u>\$ 6,775,908</u>	<u>\$ 164,443,947</u>	<u>\$ 164,254,732</u>	<u>\$ 6,965,123</u>
<b>Liabilities</b>				
Payroll deductions and withholdings payable	\$ 1,726,320	\$ 157,468,689	\$ 157,402,600	\$ 1,792,409
Summer payroll payable	5,049,588	6,975,258	6,852,132	5,172,714
Total liabilities	<u>\$ 6,775,908</u>	<u>\$ 164,443,947</u>	<u>\$ 164,254,732</u>	<u>\$ 6,965,123</u>



Toms River Regional School District  
Class Agency Fund

Schedule of Cash Receipts and Disbursements

Year ended June 30, 2019

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
<b>HIGH SCHOOLS:</b>				
High School North	\$ 7,922	\$ 14	\$ 20	\$ 7,916
High School South	31,676	35	80	31,631
<b>Total all schools</b>	<b>\$ 39,598</b>	<b>\$ 49</b>	<b>\$ 100</b>	<b>\$ 39,547</b>

## Long-Term Debt

Toms River Regional School District  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Retired	Balance June 30, 2019
			Date	Amount				
Schools Refunding bonds	4/20/2009	\$ 15,790,000	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	\$ 6,895,000	\$ 1,275,000	\$ 5,620,000
Schools Refunding bonds	12/27/2012	17,635,000	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	15,470,000	1,125,000	14,345,000
Schools Refunding bonds	5/23/2013	20,365,000	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	17,445,000	950,000	16,495,000
Schools Refunding bonds	10/27/2016	6,055,000	1/15/2020	1,515,000	1.40			
			1/15/2021	1,550,000	1.40	4,555,000	1,490,000	3,065,000
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
						\$ 61,075,000	\$ 4,840,000	\$ 56,235,000

Toms River Regional School District  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2019

Series	Amount of Original Issue	Balance July 1, 2018	Issued Current Year	Retired Current Year	Balance June 30, 2019
TD Equipment - IT Equipment	\$ 750,000	\$ 77,410		\$ 77,410	
TD Equipment - IT Equipment	1,700,000	349,122		349,122	
TD Equipment - IT Equipment	1,700,000	696,748		345,442	\$ 351,306
TD Equipment - School Buses and Technology	2,150,000	1,305,367		429,282	876,085
TD Equipment - Phone system	875,000	618,657		173,209	445,448
TD Equipment - School Buses and Technology	2,080,000	1,678,264		407,864	1,270,400
TD Equipment - School Buses and Technology	2,130,000	2,130,000		405,775	1,724,225
TD Equipment - School Buses	800,000		\$ 800,000		800,000
TD Equipment - Technology	850,000		850,000		850,000
		<u>\$ 6,855,568</u>	<u>\$ 1,650,000</u>	<u>\$ 2,188,104</u>	<u>\$ 6,317,464</u>

Toms River Regional School District  
Long-Term Debt

Schedule of Notes Payable

Year ended June 30, 2019

	Interest Rate	Amount of Original Issue	Balance July 1, 2018	Retired Current Year	Balance June 30, 2019
CREBS - November 19, 2008	1.15%	\$ 2,742,510	\$ 914,170	\$ 182,834	\$ 731,336
			<u>\$ 914,170</u>	<u>\$ 182,834</u>	<u>\$ 731,336</u>

Toms River Regional School District  
Long-Term Debt

Schedule of Deferred Pension Obligation

Year ended June 30, 2019

	Interest Rate	Amount of Original Issue	Balance July 1, 2018	Retired Current Year	Balance June 30, 2019
Deferred Pension Obligation	8.25%	\$ 958,051	\$ 776,417	\$ 72,166	\$ 704,251
			<u>\$ 776,417</u>	<u>\$ 72,166</u>	<u>\$ 704,251</u>

Toms River Regional School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local tax levy	\$ 5,979,032		\$ 5,979,032	\$ 5,979,032	
State sources:					
Debt Service Aid	349,441		349,441	349,441	
Total revenues	<u>6,328,473</u>		<u>6,328,473</u>	<u>6,328,473</u>	
Expenditures:					
Principal on CREBs	182,834		182,834	182,834	
Principal on bonds	4,840,000		4,840,000	4,840,000	
Interest on ERI	477,253		477,253	477,253	
Interest on bonds	912,545		912,545	912,258	\$ 287
Total expenditures	<u>6,412,632</u>		<u>6,412,632</u>	<u>6,412,345</u>	<u>287</u>
(Deficiency) excess of revenues (under) over expenditures	(84,159)		(84,159)	(83,872)	287
Fund balance, July 1	84,167	-	84,167	84,167	
Fund balance, June 30	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 295</u>	<u>\$ 287</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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
JUNE 30,										
						(as restated)				
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 102,262,904	\$ 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
Restricted	15,735,546	15,420,155	14,975,296	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199
Unrestricted (deficit)	(118,290,116)	(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)
<b>Total Governmental Activities</b>	<b>\$ (291,666)</b>	<b>\$ (2,703,733)</b>	<b>\$ 181,665</b>	<b>\$ 7,104,697</b>	<b>\$ 11,080,990</b>	<b>\$ 87,812,702</b>	<b>\$ 93,504,194</b>	<b>\$ 109,951,550</b>	<b>\$ 33,080,138</b>	<b>\$ 43,945,148</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 9,150,912	\$ 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
Unrestricted	2,278,274	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
<b>Total Business-Type Activities</b>	<b>\$ 11,429,186</b>	<b>\$ 11,394,478</b>	<b>\$ 11,369,260</b>	<b>\$ 11,172,061</b>	<b>\$ 11,007,844</b>	<b>\$ 11,771,444</b>	<b>\$ 12,027,109</b>	<b>\$ 11,968,510</b>	<b>\$ 9,999,261</b>	<b>\$ 10,277,958</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 111,413,816	\$ 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
Restricted	15,735,546	15,420,155	14,975,296	14,493,814	12,842,765	9,390,291	5,988,584	205,799	342,812	364,199
Unrestricted (deficit)	(116,011,842)	(115,541,280)	(112,373,844)	(109,631,243)	(105,289,912)	(26,723,784)	(16,409,871)	(5,390,966)	(9,453,758)	(3,591,545)
<b>Total Government-Wide Net Position</b>	<b>\$ 11,137,520</b>	<b>\$ 8,690,745</b>	<b>\$ 11,550,925</b>	<b>\$ 18,276,758</b>	<b>\$ 22,088,834</b>	<b>\$ 99,584,146</b>	<b>\$ 105,531,303</b>	<b>\$ 121,920,060</b>	<b>\$ 43,079,399</b>	<b>\$ 54,273,106</b>

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 - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses:</b>										
Governmental Activities:										
Instruction:							(as restated)			
Instruction	\$ 187,991,794	\$ 211,887,951	\$ 195,622,192	\$ 178,305,712	\$ 139,814,483	\$ 123,114,654	\$ 121,909,028	\$ 65,935,727	\$ 66,235,265	\$ 96,723,532
Regular					23,825,273	16,319,752	15,511,096	14,817,304	13,913,417	20,409,347
Special Education					1,648,562	1,383,970	1,453,892	1,323,853	1,378,203	2,085,579
Other Special Education								1,564,781	1,515,261	2,633,777
Vocational								3,699,586	4,006,264	8,041,855
School Sponsored/Other Instructional					2,985,155	2,806,100	3,730,381	28,290	23,848	39,201
Adult Continuing Education Programs							17,637			
Support Services:										
Attendance / social work				314,030						
Health services	338,261	387,746	350,317	5,215,940						
Other Support Services	5,830,467	6,397,628	5,703,878	20,445,313	19,794,456	20,844,273	21,193,367	73,236,252	68,558,277	
Improvement of instruction	22,248,107	24,918,381	22,887,331	5,289,591						
School library	5,371,959	6,011,197	5,888,044	3,352,594						
Instructional staff training	3,371,009	3,891,383	3,604,595	201,790						
General Administration	165,694	220,608	253,156	4,493,013	3,712,059	2,519,575	2,238,220	1,913,430	2,237,326	15,757,271
School Administrative Services	4,572,965	4,916,786	5,409,665	14,292,348	12,988,419	11,725,998	10,032,174	10,017,867	10,150,928	3,314,477
Central services	15,191,567	17,792,269	16,066,720	3,867,552						
Administrative information technology	4,530,390	5,034,316	4,381,223	3,278,731						
Required maintenance	2,592,579	2,861,286	2,809,911	5,388,557						
Operation of plant	6,730,324	7,377,341	7,102,550	17,812,538						
Security	18,819,220	20,591,699	18,352,517	2,088,660						
Pupil Transportation	2,440,321	2,429,200	2,298,268	18,731,552						
Tuition	20,892,281	22,514,118	20,142,043		16,255,165	17,617,143	11,695,418	11,314,786	10,923,759	16,639,502
Student & Instruction Related Services					4,328,874	4,124,211	3,148,205	2,985,309	2,070,901	667,598
Plant Operations & Maintenance					10,560,935	12,342,624	19,031,847	18,415,334	18,713,173	25,149,439
Special Schools					28,494,762	24,909,297	17,129,935	15,818,621	17,263,493	24,895,033
Costs of issuance	63,870	70,589	65,624		42,164	43,489	31,000	26,900	42,143	69,862
Interest on Long-Term Debt		121,402	35,641		2,394,907	2,672,509	2,544,895	3,085,116	4,221,619	3,255,648
Unallocated Depreciation	1,248,938	2,819,562	1,590,563				8,666,231	8,174,831	5,747,264	3,077,096
Unallocated Amortization							9,255			
Total Governmental Activities Expenses	302,419,746	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
Business-Type Activities:										
Food Service	4,200,539	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
Corporate Center	1,016,290	916,866	829,536	850,433	907,582	749,028	799,006	817,782	924,024	926,541
Day Care Center	738,818	738,499	706,751	808,082	862,347	827,779	747,396	811,474	700,641	463,157
Bennett Complex	312,778	361,086	342,781	328,542	680,839	317,332	278,982	271,046		
RWJ Barnabas Health Arena	573,832	410,859	381,959	403,707	693,480	287,525	217,684	276,295	324,514	370,161
Total Business-Type Activities Expenses	6,842,257	6,721,452	6,603,479	7,028,513	7,781,767	7,368,815	7,513,039	7,362,478	7,062,819	6,473,791
<b>Total District Expenses</b>	<b>\$ 309,262,003</b>	<b>\$ 346,964,914</b>	<b>\$ 319,118,351</b>	<b>\$ 292,363,659</b>	<b>\$ 274,626,981</b>	<b>\$ 247,792,410</b>	<b>\$ 245,855,620</b>	<b>\$ 239,720,465</b>	<b>\$ 234,063,960</b>	<b>\$ 229,233,008</b>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
							(as restated)			
<b>Program Revenues:</b>										
Operating Grants & Contributions	\$ 8,380,207	\$ 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
Charges for services	1,348,580	1,401,745	1,524,208	1,228,039	1,109,587	1,375,757	1,325,068			
Capital Grants & Contributions	331,703	241,092	78,082	15,089	10,324	33,279				
<b>Total Governmental Activities Program Revenues</b>	<b>10,060,490</b>	<b>9,532,167</b>	<b>9,543,390</b>	<b>8,711,701</b>	<b>8,117,840</b>	<b>8,318,450</b>	<b>9,770,755</b>	<b>7,752,618</b>	<b>9,867,886</b>	<b>12,808,646</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	2,011,197	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
Corporate Center	950,902	933,800	891,265	1,094,318	1,036,502	1,022,375	763,881	667,877	631,684	937,439
Day Care Center	738,679	749,195	687,233	695,707	785,564	839,809	745,589	722,030	707,876	443,058
Bennett Complex	385,749	410,492	451,357	446,380	379,110	388,887	336,464	366,712		
RWJ Barnabas Health Arena	506,483	536,481	406,743	405,540	313,868	390,492	303,249	356,569	735,439	842,228
Operating Grants & Contributions	2,394,956	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
<b>Total Business-Type Activities Program Revenues</b>	<b>6,987,966</b>	<b>6,853,995</b>	<b>6,913,983</b>	<b>7,304,426</b>	<b>6,973,277</b>	<b>7,264,355</b>	<b>7,044,468</b>	<b>7,090,799</b>	<b>7,293,106</b>	<b>7,143,814</b>
<b>Total District Program Revenues</b>	<b>\$ 17,048,456</b>	<b>\$ 16,386,162</b>	<b>\$ 16,457,373</b>	<b>\$ 16,016,127</b>	<b>\$ 15,091,117</b>	<b>\$ 15,582,805</b>	<b>\$ 16,815,223</b>	<b>\$ 14,843,417</b>	<b>\$ 17,160,992</b>	<b>\$ 19,952,460</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (292,359,256)	\$ (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)
Business-Type Activities	145,709	132,543	308,504	275,913	(808,490)	(104,460)	(468,571)	(271,679)	230,287	670,023
<b>Total Government-Wide Expense</b>	<b>\$ (292,213,547)</b>	<b>\$ (330,578,752)</b>	<b>\$ (302,660,978)</b>	<b>\$ (276,347,532)</b>	<b>\$ (259,535,864)</b>	<b>\$ (232,209,605)</b>	<b>\$ (229,040,397)</b>	<b>\$ (224,877,048)</b>	<b>\$ (216,902,968)</b>	<b>\$ (209,280,548)</b>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FISCAL YEAR ENDING JUNE 30.										
(as restated)										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 155,329,013	\$ 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
Taxes Levied for Debt Service	5,979,032	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
Unrestricted Grants & Contributions	131,218,181	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
Investment Earnings	466,884	161,918	28,209	4,788	1,268	5,445	7	54,155	27,210	27,210
Miscellaneous Income	1,657,116	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
Transfers	112,280	108,280	112,280	112,280	112,282	152,280	587,084	192,280	513,209	513,209
FEMA Reimbursement							165,674			
<b>Total Governmental Activities</b>	<b>294,762,506</b>	<b>327,818,281</b>	<b>290,680,668</b>	<b>271,747,449</b>	<b>258,231,666</b>	<b>224,133,279</b>	<b>228,817,907</b>	<b>225,706,831</b>	<b>213,784,032</b>	<b>209,044,838</b>
Special Item			5,000,000							
Extraordinary Item	8,817	7,616	365,782	899,703	589,976	2,280,374				
<b>Business-Type Activities:</b>										
Investment Earnings	1,279	955	975	584	626	1,075	1,325	1,954	4,225	5,291
FEMA Reimbursement					73,900					
Miscellaneous Income					82,646					
Transfers	(112,280)	(108,280)	(112,280)	(112,280)	(112,282)	(152,280)	(587,084)	(192,280)	(513,209)	-
<b>Total Business-Type Activities</b>	<b>(111,001)</b>	<b>(107,325)</b>	<b>(111,305)</b>	<b>(111,696)</b>	<b>44,890</b>	<b>(151,205)</b>	<b>(585,759)</b>	<b>(190,326)</b>	<b>(508,984)</b>	<b>5,291</b>
<b>Total Government-Wide</b>	<b>\$ 294,651,505</b>	<b>\$ 327,710,956</b>	<b>\$ 290,569,363</b>	<b>\$ 271,635,753</b>	<b>\$ 258,276,556</b>	<b>\$ 223,982,074</b>	<b>\$ 228,232,148</b>	<b>\$ 225,516,505</b>	<b>\$ 213,275,048</b>	<b>\$ 209,050,129</b>
Change in Net Position:										
Governmental Activities	\$ 2,412,067	\$ (2,885,398)	\$ (6,923,032)	\$ (3,976,293)	\$ 94,268	\$ (5,691,492)	\$ 246,081	\$ 1,101,462	\$ (3,349,223)	\$ (905,733)
Business-Type Activities	34,708	25,218	197,199	164,217	(763,600)	(255,665)	(1,054,330)	(462,005)	(278,697)	675,314
<b>Total District</b>	<b>\$ 2,446,775</b>	<b>\$ (2,860,180)</b>	<b>\$ (6,725,833)</b>	<b>\$ (3,812,076)</b>	<b>\$ (669,332)</b>	<b>\$ (5,947,157)</b>	<b>\$ (808,249)</b>	<b>\$ 639,457</b>	<b>\$ (3,627,920)</b>	<b>\$ (230,419)</b>

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund:</b>										
Restricted	\$ 14,790,449	\$ 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
Assigned	4,728,690	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
<b>Total General Fund</b>	<b>\$ 19,519,139</b>	<b>\$ 18,424,746</b>	<b>\$ 16,993,466</b>	<b>\$ 15,585,901</b>	<b>\$ 14,758,842</b>	<b>\$ 10,501,005</b>	<b>\$ 8,757,845</b>	<b>\$ 7,339,781</b>	<b>\$ 3,844,895</b>	<b>\$ 12,399,874</b>
<b>All Other Governmental Funds:</b>										
Restricted:										
Capital Projects Fund	\$ 12,106,587	\$ 16,853,314					\$ 1,108	\$ 114,112	\$ 249,446	\$ 257,947
Debt Service Fund	295	84,167	84,208	49	157,002	165,684	100,369	91,687	106,165	106,252
<b>Total All Other Governmental Funds</b>	<b>\$ 12,106,882</b>	<b>\$ 16,937,481</b>	<b>\$ 84,208</b>	<b>\$ 49</b>	<b>\$ 157,002</b>	<b>\$ 165,684</b>	<b>\$ 101,477</b>	<b>\$ 205,799</b>	<b>\$ 355,611</b>	<b>\$ 364,199</b>

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues:</b>										
Tax Levy	\$ 161,308,045	\$ 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
Other Local Revenue	3,878,945	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
Restricted Grants-in-Aid - Ocean County	101,943,502	99,676,989	95,495,409	92,004,137	88,717,248	85,733,921	87,060,718	81,872,704	76,746,160	4,500
State Sources	467,995	309,882	494,916	7,810,536	9,501,970	12,831,274	353,171	2,695,439	301,222	84,137,134
Federal Revenue										
<b>Subtotal</b>	267,598,487	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
<b>Special Revenue:</b>										
Federal	7,377,414	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
State	928,131	822,541	830,725	808,188	702,210	596,876	964,064	810,414	1,074,527	1,182,453
<b>Total Revenues</b>	275,904,032	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
<b>Expenditures:</b>										
Instruction:										
Regular Instruction	107,265,778	98,261,574	98,785,657	96,460,261	67,749,842	71,424,029	69,909,028	65,935,727	66,235,265	70,775,226
Special Education Instruction					13,449,986	16,319,752	15,511,096	14,817,304	13,913,417	13,682,035
Other Instruction					11,379,122	1,383,970	1,453,892	1,323,853	1,378,203	1,391,433
Vocational								1,564,781	1,515,261	1,792,949
School Sponsored/Other Instructional					3,638,816	2,806,100	3,730,381	3,699,586	4,006,264	6,484,121
Adult/Continuing Education Programs							17,637	28,290	23,848	27,573
Support Services:										
Tuition	5,795,734	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
Student & Instruction Related Services	15,798,630	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
General Administration	3,217,540	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
School Administrative Services	7,874,539	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
Central services	2,384,163	2,271,270	2,146,758	2,074,046						
Administrative information technology	1,557,430	1,494,232	1,551,109	1,609,660						
Plant Operations & Maintenance	17,207,670	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
Student Transportation	13,097,483	12,581,904	11,575,212	11,271,722	11,551,517	12,552,552	11,695,418	11,314,786	10,923,759	12,933,062
Business & Other Support Services										
Unallocated Benefits	89,958,174	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

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenditures (continued):</b>										
Special Schools	\$ 37,506	\$ 31,795	\$ 32,276	\$ 31,169	\$ 26,635	\$ 27,538	\$ 31,000	\$ 26,900	\$ 42,143	\$ 46,691
Capital Projects Fund							113,004	43,740	8,501	1,092,353
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
Debt service payment - principal	7,210,938	6,812,156								
Debt service payment - interest	1,483,096	2,037,444								
Costs of issuance		121,402								
Capital Outlay:										
Equipment	7,443,706	4,120,910	2,636,870	1,471,730	2,301,535	2,325,038	921,527	1,182,495	852,188	273,988
Facilities Acquisition & Construction Services	1,284,502	1,184,205	1,387,668	2,597,507	1,362,825	1,518,998	602,484	406,962	400,772	160,413
<b>Total Expenditures</b>	<b>281,616,889</b>	<b>271,440,734</b>	<b>258,462,085</b>	<b>253,691,208</b>	<b>244,056,325</b>	<b>239,150,904</b>	<b>237,701,370</b>	<b>230,415,682</b>	<b>224,879,832</b>	<b>228,820,659</b>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(5,712,857)	(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)
<b>Other Financing Sources/(Uses):</b>										
Transfers Out		(539,367)	(455,910)				(22)		(4,324)	
Transfers In	112,280	647,647	568,190	112,280	112,282	152,302	587,084	192,280	513,209	
Proceeds from Community Disaster Loan (CDL)										
Refunding bonds issued			6,055,000		411,148	4,588,852				
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)	1,855,554	2,845,573	2,206,838		1,651,236	1,338,895	426,450	301,307	180,134	
<b>Total Other Financing Sources (Uses)</b>	<b>1,967,834</b>	<b>20,965,414</b>	<b>2,376,615</b>	<b>112,280</b>	<b>2,174,666</b>	<b>6,080,027</b>	<b>1,009,210</b>	<b>493,587</b>	<b>693,343</b>	<b>-</b>
Extraordinary Item	8,817	7,616	365,782	899,703	589,976	2,280,374				
<b>Net Change in Fund Balances</b>	<b>\$ (3,736,206)</b>	<b>\$ 18,284,553</b>	<b>\$ 1,491,724</b>	<b>\$ 670,106</b>	<b>\$ 4,249,155</b>	<b>\$ 1,807,367</b>	<b>\$ 1,148,068</b>	<b>\$ 3,345,074</b>	<b>\$ (1,047,780)</b>	<b>\$ (6,967,174)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.2%	3.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%

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	PRIOR YEAR REFUNDS	NET DONATIONS	E-Rate	RENTAL INCOME	TRANSPORTATION	SALE OF		MISCELLANEOUS	TOTAL			
							SOLAR RENEWABLE ENERGY CREDITS	ENERGY CREDITS					
2019	\$ 153,529	\$		\$	126,355	\$	73,892	\$	448,539	\$	1,082,222	\$	3,159,225
2018	82,461	1,242,546			119,921		159,199		376,611		1,041,300		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

Source: District records

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

YEAR ENDED DECEMBER 31, <b>BOROUGH OF BEACHWOOD</b>	ESTIMATED NET ASSESSED/TAXABLE VALUATIONS
2019	\$ 809,524,500
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
<b>TOWNSHIP OF TOMS RIVER</b>	
2019	N/A
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
<b>BOROUGH OF PINE BEACH</b>	
2019	\$ 248,787,500
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
<b>BOROUGH OF SOUTH TOMS RIVER</b>	
2019	\$ 226,380,338
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

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
<b>BOROUGH OF BEACHWOOD</b>							
2019	\$	1.061	\$	0.897	\$	0.457	\$ 2.415
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
<b>TOWNSHIP OF TOMS RIVER</b>							
2019	\$	1.166	\$	0.654	\$	0.499	\$ 2.319
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
<b>BOROUGH OF PINE BEACH</b>							
2019	\$	1.106	\$	0.832	\$	0.480	\$ 2.418
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
<b>BOROUGH OF SOUTH TOMS RIVER</b>							
2019	\$	0.974	\$	1.544	\$	0.438	\$ 2.956
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

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	2019			TAXPAYER	2010		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL NET ASSESSED VALUE
<b>BEACHWOOD TOP TEN</b>							
CVS Health Corp	\$ 3,289,900	1	0.41%				
DCTN3 385 Beachwood, NJ LLC	2,875,200	2	0.36%		N/A		
Clayton, Lewis M	1,842,700	3	0.23%				
Town & Country Bakery	1,605,500	4	0.20%				
Lipton, David	1,572,300	5	0.19%				
Moorehouse-Speedwell Ltd Ptnship	1,400,900	6	0.17%				
Rite Aid Corp	1,380,000	7	0.17%				
Sobieski, James	1,283,200	8	0.16%				
Stone Fire Grill LLC	1,157,000	9	0.14%				
Kmderer, Rudolph	1,083,900	10	0.13%				
	<u>\$ 17,490,600</u>						
<b>TOMS RIVER TOP TEN</b>							
CPI @ SIMON PROPERTY LP	\$ 90,000,000	1	0.70%		N/A		
FAIRWAYS @ BEY LEA LLC	55,000,000	2	0.43%				
BASF CORPORATION	42,000,000	3	0.33%				
SDD INC@ D DONOFRIO	39,000,000	4	0.30%				
SEACOURT PAVILION	30,000,000	5	0.23%				
J&I REALTY ASSOC LLC AAC MGMT	27,000,000	6	0.21%				
EAST COAST HOLIDAY ON BAY LLC	26,640,000	7	0.21%				
S/K BEY LEA ASSOC I LLC	19,750,000	8	0.15%				
DOVER PARKADE LLC PARAMOUNT	17,500,000	9	0.14%				
UNISON ALTO HOOPER LLC	17,104,200	10	0.13%				
	<u>\$ 363,994,200</u>						
<b>SOUTH TOMS RIVER TOP TEN</b>							
530 LLC	\$ 4,692,000	1	2.11%				
Lighthouse Pt Marina & Yaht	3,717,700	2	1.67%		N/A		
1 River Place LLC	3,411,500	3	1.53%				
Moros, Zack Sr & Roula	1,760,100	4	0.79%				
Lorfin Realty Inc	1,636,300	5	0.74%				
Legend Realty Associates LLC	1,355,500	6	0.61%				
Tradewinds Marina Inc	993,800	7	0.45%				
RBC-NJ Properties LLC	901,300	8	0.41%				
Boynton, Susan	897,700	9	0.40%				
Storage Mall Toms River LLC	870,000	10	0.39%				
	<u>\$ 20,235,900</u>						
<b>PINE BEACH TOP TEN</b>							
DUDECK, WILLIAM & LAURA	\$ 1,922,800	1	0.78%	DUDECK, WILLIAM & LAURA	\$ 1,919,400	1	0.64%
LA PIERRE INC	1,833,300	2	0.74%	CROWELL, GARY F & DEBORAH T	1,171,000	2	0.39%
SOBIESKI, JAMES & GRAZIA	1,202,200	3	0.49%	FINLEY, RAYMOND A III & DEBORAH A	1,079,200	3	0.36%
FINLEY, RAYMOND & DEBORAH	893,200	4	0.36%	KAMMERMAN, PETER	1,073,400	4	0.36%
KAMMERMAN, PETER	891,800	5	0.36%	CANALE, JENNIE TRUSTEE	1,067,100	5	0.35%
FEDELE, RALPH & CRISTINA	886,800	6	0.36%	BERKELY HOLDING CORP ETAL	1,041,700	6	0.34%
CANALE, JENNIE TRUSTEE	852,600	7	0.35%	HILL FAMILY TRUST	1,039,200	7	0.34%
BERKELEY HOLDING CORP ET AL	821,100	8	0.33%	MUIRHEAD, WILLIAM B, & DIANE T	982,600	8	0.33%
TOUGHILL, SUSAN	819,200	9	0.33%	SHRAMOVICH, PAUL F & SANDRA L TRUST	977,600	9	0.32%
MCKENNA, MICHAEL & AMANDA	810,200	10	0.33%	MABIE, DEAN & CHRISTINE	879,400	10	0.29%
	<u>\$ 10,933,200</u>				<u>\$ 11,230,600</u>		

Source: Township tax offices

**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
<b>Borough of Beachwood</b>			
2019	N/A	N/A	N/A
2018	\$ 19,437,044	\$ 19,004,711	97.77%
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%
<b>Township of Toms River</b>			
2019	N/A	N/A	N/A
2018	\$ 306,166,073	\$ 299,604,169	97.86%
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%
<b>Borough of Pine Beach</b>			
2019	N/A	N/A	N/A
2018	\$ 5,871,599	\$ 5,780,195	98.44%
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%
<b>Borough of South Toms River</b>			
2019	N/A	N/A	N/A
2018	\$ 6,542,779	\$ 6,345,281	96.98%
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%

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 <sup>1</sup> PERSONAL INCOME	OCEAN COUNTY PER CAPITA <sup>1</sup>
	GENERAL OBLIGATION BONDS	COMMUNITY DISASTER LOAN	NOTES PAYABLE	CAPITAL LEASES			
2019*	\$ 203,383,000		\$ 731,336	\$ 6,317,464	\$ 210,431,800	N/A	N/A
2018	63,759,415		914,170	6,855,568	71,529,153	0.08%	645
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

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

<sup>1</sup> 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.

\* Includes bonds and notes authorized but not issued in the amount of \$147,148,000.

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
2019*	\$ 203,383,000	\$ 16,710,295	\$ 186,672,705	N/A	N/A
2018	61,075,000	16,794,167	44,280,833	0.31%	645
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

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.

\* Includes bonds and notes authorized but not issued in the amount of \$147,148,000.

N/A-information not available.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2019**

*Unaudited*

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Toms River Regional Schools*		100%	\$ 186,672,705
Net Overlapping Debt of School District:			
Beachwood		100%	45,835,000
Toms River		100%	151,527,767
Pine Beach		100%	4,985,720
South Toms River		100%	765,081
Total Direct & Overlapping Debt			\$ 389,786,273

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.

\* Includes bonds and notes authorized but not issued in the amount of \$147,148,000.



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	\$ 674,722,320	\$ 655,451,418	\$ 637,576,714	\$ 624,209,152	\$ 646,652,009	\$ 622,212,017	\$ 707,198,011	\$ 746,186,283	\$ 751,626,286	\$ 694,120,977
Total Net Debt Applicable to Limit	186,672,705	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
Legal Debt Margin	\$ 488,049,615	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.67%	6.76%	7.68%	8.56%	8.92%	9.74%	9.46%	9.42%	11.01%	12.49%

Legal Debt Margin Calculation for Fiscal Year 2019

Average Equalized Valuation of Taxable Property	Equalized Valuation Basis
Debt Limit (4% of Average Equalization Value)	2019 \$ 17,268,239,486
Net Bonded School Debt	2018 16,804,085,515
Legal Debt Margin	2017 16,531,848,986
	\$ 50,604,173,987
	\$ 16,868,057,996
	\$ 674,722,320
	186,672,705
	\$ 488,049,615

\* Includes bonds and notes authorized but not issued in the amount of \$147,148,000.

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)			
		POPULATION (a)	INCOME (b)	BEACHWOOD	TOMS RIVER	PINE BEACH	S. TOMS RIVER
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	110,936	\$	57,389	4.1%	4.0%	4.2%	6.0%
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%

**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.

<sup>a</sup> 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.

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

N/A - Not available at the time of the filing of the 2019 audit, this information was not available.

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

	2019	2010	
EMPLOYER	EMPLOYEES	EMPLOYEES	TOTAL
	RANK	RANK	EMPLOYMENT
	EMPLOYMENT	EMPLOYMENT	EMPLOYMENT
N/A			

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010*
<b>Instruction:</b>										
Regular	898	951	959	972	977	983	968	948	940	1,043
Special Education	290	292	284	285	289	172	186	186	186	322
Other Special Instruction	1	1	1	1	1	1				
Vocational								22	24	23
<b>Support Services:</b>										
Student & Instruction Related Services	296	282	278	270	268	261	261	248	261	40
School Administrative Services	123	158	154	153	159	155	158	163	163	137
General Administration	42	41	41	40	40	41	36	35	35	34
Plant Operations & Maintenance	227	235	246	257	265	265	258	265	271	272
Administrative Information Technology	14	14	14	17	17	18	18	17	18	18
Pupil Transportation	195	195	191	195	194	191	192	188	186	185
Other Support Services	110	117	112	120	115	119	123	124	125	121
<b>Total</b>	<b>2,196</b>	<b>2,286</b>	<b>2,280</b>	<b>2,310</b>	<b>2,325</b>	<b>2,206</b>	<b>2,200</b>	<b>2,196</b>	<b>2,209</b>	<b>2,195</b>

\* 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
2019	15,370	\$260,935,404	\$16,977	1.5%	1,189	13.0	15,254.4	14,410.2	-0.9%	94.5%
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%

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010*
<b>Elementary Schools:</b>										
<b>Beachwood (1988):</b>										
Square Feet	70,445	70,445	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	786	786
Enrollment	479	315	536	569	569	578	584	591	586	
<b>Cedar Grove (1971):</b>										
Square Feet	132,194	132,194	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	1,134	1,134
Enrollment (a)	890	858	873	873	873	841	878	883	920	
<b>Citta (1999):</b>										
Square Feet	70,581	70,581	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	844	844
Enrollment	569	613	666	637	637	632	653	672	670	
<b>East Dover (1954):</b>										
Square Feet	97,718	97,718	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	1,182	1,182
Enrollment	701	661	689	685	685	723	770	757	767	
<b>Hooper Avenue (1965):</b>										
Square Feet	89,063	89,063	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	1,134	1,134
Enrollment	717	729	729	726	726	743	755	756	723	
<b>North Dover (1956):</b>										
Square Feet	70,492	70,492	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	855	855
Enrollment	519	524	556	596	596	607	632	649	667	
<b>Pine Beach (1953):</b>										
Square Feet	58,341	58,341	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	614	614
Enrollment	436	452	442	437	437	450	447	440	466	
<b>Silver Bay (1972):</b>										
Square Feet	112,930	112,930	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	1,134	1,134
Enrollment	637	637	648	611	611	645	654	662	693	
<b>South Toms River (1982):</b>										
Square Feet	58,940	58,940	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	587	587
Enrollment	320	334	351	352	352	368	357	375	367	
<b>Walnut Street (1965):</b>										
Square Feet	87,663	87,663	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	1,134	1,134
Enrollment	758	787	790	757	757	799	840	843	845	
<b>Washington Street (1960):</b>										
Square Feet	49,890	49,890	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	533	533
Enrollment	369	417	412	379	379	390	393	385	402	
<b>West Dover (1963):</b>										
Square Feet	56,442	56,442	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	656	656
Enrollment	383	383	394	393	393	390	403	407	407	

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

DISTRICT BUILDINGS	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010*
<b>Middle Schools:</b>										
East (1962):										
Square Feet	259,829	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	1,518
Enrollment	1419	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	178,332
Capacity	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610
Enrollment	1193	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	194,382
Capacity	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Enrollment	1113	1,072	1,083	1,080	1,080	1,044	1,049	1,052	1,065	
<b>High Schools:</b>										
East (1979):										
Square Feet	241,420	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	1,980
Enrollment	1415	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	404,277
Capacity	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421
Enrollment	2051	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	172,344
Capacity	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421
Enrollment	1401	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	79,417
Transportation Compound										
Square Feet	34,800	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	32,325

Number of Schools at June 30, 2019:

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, 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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
High Schools:										
East	\$ 301,052	\$ 295,368	\$ 363,707	\$ 269,290	\$ 348,805	\$ 313,760	\$ 320,434	\$ 286,299	\$ 257,878	\$ 332,722
North	648,987	782,576	478,281	446,710	516,070	509,932	466,800	445,221	423,319	549,600
South	218,602	216,564	261,994	197,690	264,716	221,601	233,675	250,554	179,389	232,319
Intermediate Schools:										
East	309,291	337,134	309,351	298,380	329,238	330,525	303,214	291,563	260,478	349,560
North	242,230	235,785	241,971	201,871	238,157	289,648	247,295	222,066	205,757	240,699
South	260,293	233,514	232,510	208,274	232,440	220,012	211,386	214,785	202,992	260,753
Elementary Schools:										
Beachwood	92,760	85,778	87,227	76,182	86,271	83,985	85,340	78,146	75,315	103,149
Cedar Grove	149,435	158,608	185,562	142,519	159,389	157,219	146,542	140,367	142,394	188,818
Joseph A. Citta	90,255	84,363	88,484	77,026	92,973	92,249	105,432	84,021	78,382	139,651
East Dover	113,503	133,607	134,050	112,893	121,165	109,113	109,458	103,931	105,275	136,544
Hooper Avenue	118,907	107,954	107,183	100,484	112,355	110,407	103,876	108,156	114,434	116,688
North Dover	82,042	87,831	88,108	79,927	93,573	86,996	81,429	85,764	78,720	89,940
Pine Beach	80,603	67,572	70,719	60,596	71,768	66,157	66,510	64,431	66,679	160,947
Silver Bay	127,816	132,772	152,421	137,683	148,137	126,846	127,044	120,175	117,101	86,267
South Toms River	67,540	111,061	74,338	72,114	73,395	71,257	69,387	69,950	65,135	144,249
Walnut Street	99,200	126,329	103,767	121,588	109,624	102,222	98,827	95,540	90,339	75,063
Washington Street	57,988	59,514	63,256	54,136	61,827	66,450	61,550	57,268	52,728	84,839
West Dover	94,456	72,176	67,115	62,780	68,899	68,281	76,706	69,818	64,120	104,586
Subtotal	3,154,960	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
Other Facilities	159,783	169,150	169,184	153,811	170,323	74,256	149,484	148,916	140,277	221,489
Grand Total	\$ 3,314,743	\$ 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

Source: District Records



**TOMS RIVER REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2019  
*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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 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.

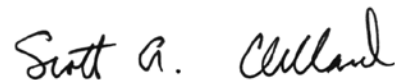
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

December 16, 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, 2019. 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, 2019.

### **Report on Internal Control Over Compliance**

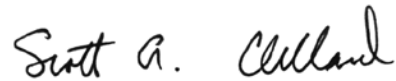
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

December 16, 2019  
Livingston, New Jersey

Toms River Regional School District  
Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant or State Project Number	Grant Period From	Grant Period To	Balance at June 30, 2018	Adjustment	Cash Received	Budgetary Expenditures	Unearned Revenue	Year ended June 30, 2019	
											(Accounts Receivable)	Due to Grantor
General Fund:												
93.778	1965N360P	\$ 467,995	N/A	7/1/18	6/30/19			\$ 467,995	\$ (467,995)			
U.S. Department of Health and Human Services												
-Passed-Through State Department of Education												
Medicaid Assistance Program												
Total General Fund												
U.S. Department of Education-Passed-Through State												
Department of Education												
Special Revenue Fund:												
84.010A	S016A180030	2,230,834	NCLB-2940	7/1/18	6/30/19		\$ 35	1,278,602	(2,230,113)		\$ (951,476)	
84.010A	S016A170030	1,996,917	NCLB-2940	7/1/17	6/30/18	\$ (816,423)		816,423				
84.010A	S016A170030	63,127	NCLB-2940	7/1/17	6/30/18	8,243						\$ 8,243
Title I, Part A												
Title I, Summer Arts												
84.367	S367A180029	469,369	NCLB-2940	7/1/18	6/30/19	(167,437)	347	278,534	(469,369)		(190,488)	
84.367	S367A170029	474,370	NCLB-2940	7/1/17	6/30/18			167,437				
Title II A												
Title II A												
84.365	S365A180030	46,372	NCLB-2940	7/1/18	6/30/19			26,993	(46,372)		(19,379)	
84.365	S365A170030	46,520	NCLB-2940	7/1/17	6/30/18	(10,436)		10,436			(4,681)	
84.365	S365A180030	10,946	NCLB-2940	7/1/18	6/30/19			6,238	(10,939)		(4,681)	
84.365	S365A170030	8,779	NCLB-2940	7/1/17	6/30/18	(3,155)		3,155			(24,060)	
Subtotal Language Instruction for English Learners and Immigrant Students												
Subtotal Language Instruction for English Learners and Immigrant Students												
84.424	S424A180031	134,880	NCLB-2940	7/1/18	6/30/19			104,516	(134,171)		(29,655)	
Title IV, Student Support Academic Enrichment												
Special Education Grant Cluster:												
84.027A	H027A180100	3,997,173	FT29-0088	7/1/18	6/30/19			3,997,179	(3,771,374)		(174,195)	
84.027A	H027A170100	3,948,257	FT29-0088	7/1/17	6/30/18	(246,219)	31,038	235,181				
84.173A	H173A180114	127,069	PS34-0097	7/1/18	6/30/19			127,069	(127,069)		(174,195)	
Subtotal of Special Education Grant Cluster												
U.S. Department of Homeland Security												
-Passed-Through State Department of Law & Safety												
Federal Emergency Management Agency (FEMA)												
97.036	10.3245	433,150	N/A	10/29/12	6/30/19				(433,150)		(433,150)	
U.S. Environmental Protection Agency												
National Clean Diesel Rebate Program												
66.040	Not available	200,000	N/A	3/1/19	11/18/19				(200,000)		(200,000)	
66.040	Not available	175,000	N/A	12/13/17	9/13/18	(175,000)		175,000				
U.S. Department of Education-Passed-Through												
Arts Midwest												
45.024	DCA-2016-05	15,000	N/A	7/1/16	8/31/18			15,000	(14,997)	\$ 3		
U.S. Department of Defense												
Tech Ready Navy												
12.300	N0014181224	763,132	N/A	4/12/18	4/30/21	(1,400)		92,675	(294,420)		(203,145)	
12.330	N0014185703	10,900	N/A	5/1/19	4/30/20	1,187	4,607	10,900	(9,109)			
Total Special Revenue Fund												
							36,027	6,945,338	(7,743,083)	7,388	(2,208,169)	8,243
U.S. Department of Agriculture-Passed-Through State												
Enterprise Fund:												
Child Nutrition Program Cluster:												
10.555	18N336N1099	292,128	N/A	7/1/18	6/30/19			292,128	(247,262)		44,866	
10.555	18N336N1099	278,642	N/A	7/1/17	6/30/18	47,929			(47,929)			
10.555	18N336N1099	1,451,952	N/A	7/1/18	6/30/19	(119,592)		1,440,402	(1,551,902)		(111,560)	
10.555	18N336N1099	1,461,821	N/A	7/1/17	6/30/18	(119,592)		119,592			(3,078)	
10.555	18N336N1099	45,398	N/A	7/1/18	6/30/19	(3,494)		3,494	(43,998)		(35,810)	
10.555	18N336N1099	43,596	N/A	7/1/17	6/30/18	(7,386)		428,407	(464,217)		(35,810)	
10.555	18N336N1099	464,217	N/A	7/1/18	6/30/19			37,386			(150,448)	
10.555	18N336N1099	433,598	N/A	7/1/17	6/30/18	(112,943)		2,362,329	(2,353,368)		44,866	
Total Child Nutrition Program Cluster												
							36,027	9,775,682	(10,566,446)	\$ 57,454	\$ (2,358,617)	\$ 8,243
Total Federal Awards Expenditures												
NC-non cash expenditures												

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



Toms River Regional School District  
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Adjustments	Unearned Revenue	Due to Grantor	Memorandum Budgetary Receivable	Cumulative Expenditures
			From	To	Unearned Revenue	(Accounts Receivable)									
State Department of Education															
Special Fund:															
Special Education Categorical Aid	495-034-5120-089	\$ 9,865,327	7/1/18	6/30/19	\$	\$ 4,887,615		(9,865,327)						\$ (977,712)	\$ (9,865,327)
Special Education Categorical Aid	495-034-5120-089	3,265,669	7/1/17	6/30/18	(914,102)			(3,959,971)						(6,058,443)	(9,994,137)
Equitization Aid	495-034-5120-077	39,941,537	7/1/18	6/30/18	(3,941,274)			(4,517,346)						(5,488,073)	(5,488,073)
Transportation Aid	495-034-5120-014	4,548,073	7/1/18	6/30/19	(453,980)			(453,980)						(251,256)	(2,538,055)
Technology Aid	495-034-5120-014	4,600,705	7/1/17	6/30/18	(182,367)			(182,367)						(810,814)	(8,181,292)
Special Education	495-034-5120-084	2,538,055	7/1/18	6/30/19	(1,028,370)			(1,028,370)						(2,391,665)	(2,391,665)
Special Education	495-034-5120-084	1,848,137	7/1/17	6/30/18	(15,377)			(15,377)						(225,330)	(225,330)
Adjustment Aid	495-034-5120-085	8,181,292	7/1/18	6/30/19	(152,418)			(152,418)						(6,861,908)	(6,861,908)
Adjustment Aid	495-034-5120-085	10,421,674	7/1/17	6/30/18	(42,866)			(42,866)						(8,127,640)	(8,127,640)
PARCC Readiness Aid	495-034-5120-098	155,830	7/1/17	6/30/18										(15,657)	(15,657)
For Pupil Growth Aid	495-034-5120-097	154,220	7/1/17	6/30/18										(6,539,433)	(6,539,433)
Professional Learning Community Aid	495-034-5120-101	433,801	7/1/17	6/30/18										(1,657)	(1,657)
Under Advisee Aid	495-034-5120-096	1,475,963	7/1/17	6/30/18	(1,475,963)			(1,475,963)						(2,391,665)	(2,391,665)
Extracurricular Aid	495-034-5120-073	204,330	7/1/18	6/30/19	(107,300)			(107,300)						(225,330)	(225,330)
Extracurricular Aid	495-034-5120-014	897,300	7/1/17	6/30/18										(6,861,908)	(6,861,908)
Non-Public Transportation Aid	495-034-5120-014	17,918,138	7/1/18	6/30/19				(17,918,138)						(17,918,138)	(17,918,138)
Reimbursed TPAF - Social Security	495-034-5094-003	8,127,640	7/1/18	6/30/19				(8,127,640)						(8,127,640)	(8,127,640)
Reimbursed TPAF - Pension	495-034-5094-002	8,127,640	7/1/18	6/30/19				(8,127,640)						(8,127,640)	(8,127,640)
Reimbursed TPAF - Post-Retirement Medical	495-034-5094-001	15,657	7/1/18	6/30/19				(15,657)						(15,657)	(15,657)
Reimbursed TPAF - Long-Term Disability Insurance	495-034-5094-004	15,657	7/1/18	6/30/19				(15,657)						(15,657)	(15,657)
Total General Fund					(8,192,134)			(10,934,235)						(6,539,433)	(10,934,235)
Special Revenue Fund:															
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	73,905	7/1/18	6/30/19				(73,905)						1,065	(73,905)
Textbook Aid	100-034-5120-064	75,871	7/1/17	6/30/18					(893)					1,746	(132,502)
Nursing Services	100-034-5120-070	194,248	7/1/18	6/30/19				(194,248)						733	(49,091)
Technology	100-034-5120-075	51,845	7/1/17	6/30/18				(49,824)						19,069	(207,896)
Technology	100-034-5120-071	225,900	7/1/18	6/30/19				(225,900)						265	(207,896)
Security	100-034-5120-059	73,500	7/1/17	6/30/18				(73,500)						15,461	(5,461)
Security	100-034-5120-059	73,500	7/1/17	6/30/18					(5,461)					265	(5,461)
Non Public Auxiliary Services (Ch. 192):															
Home Instruction	100-034-5120-067	12,989	7/1/18	6/30/19				(12,989)						69,805	(12,989)
Home Instruction	100-034-5120-067	7,919	7/1/17	6/30/18				(7,919)						69,805	(12,989)
Home Instruction	100-034-5120-067	286,804	7/1/18	6/30/19				(286,804)						1,812	(216,999)
Compensatory Education	100-034-5120-067	263,094	7/1/17	6/30/18				(263,094)						1,812	(2,502)
Compensatory Education	100-034-5120-067	4,584	7/1/17	6/30/18				(4,584)						38,294	(38,294)
ESL	100-034-5120-068	38,294	7/1/18	6/30/19				(38,294)						41,208	(89,530)
ESL	100-034-5120-068	130,838	7/1/18	6/30/19				(130,838)						35,112	(141,977)
Stuendents Insurance	100-034-5120-066	12,604	7/1/17	6/30/18				(12,604)						90,332	(72,317)
Stuendents Insurance	100-034-5120-066	177,089	7/1/18	6/30/19				(177,089)						68,205	(216,999)
Examination and Classification	100-034-5120-066	170,000	7/1/17	6/30/18				(170,000)						1,812	(2,502)
Examination and Classification	100-034-5120-066	80,332	7/1/18	6/30/19				(80,332)						38,294	(38,294)
Compensatory Speech	100-034-5120-066	72,317	7/1/17	6/30/18				(72,317)						6,000	(9,986)
Compensatory Speech	100-034-5120-066	6,000	7/1/18	6/30/19				(6,000)						14	(5,986)
New Jersey Department of Health															
Empower Health	n/a														
Total Special Revenue Fund					7,919	161,160	1,215,487	(969,816)	(161,160)	265		14	230,992		(969,816)
Debt Service Fund:															
Debt Service - Type II Aid	495-034-5120-017	349,441	7/1/18	6/30/19				(349,441)							(349,441)
Total Debt Service Fund								(349,441)							(349,441)
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program (State share)	100-010-3350-023	39,598	7/1/18	6/30/19				(39,598)							(39,598)
State School Lunch Program (State share)	100-010-3350-023	35,298	7/1/17	6/30/18				(35,298)							(35,298)
Total Enterprise Fund								(74,896)							(74,896)
Total State Financial Assistance Expenditures								(1,028,370)							(10,934,235)
State Financial Assistance Net Subject to															
Single Audit Determination:															
Reimbursed TPAF - Pension	495-034-5094-002	17,918,138	7/1/18	6/30/19				(17,918,138)							(17,918,138)
Reimbursed TPAF - Pension	495-034-5094-001	8,127,640	7/1/18	6/30/19				(8,127,640)							(8,127,640)
Reimbursed TPAF - Long-Term Disability Insurance	495-034-5094-004	15,657	7/1/18	6/30/19				(15,657)							(15,657)
Total State Financial Assistance Subject to								(26,061,435)							(26,061,435)
Single Audit Determination								(76,822,023)							(76,822,023)
Total								(10,934,235)							(10,934,235)

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, 2019

**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 Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**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, 2019

**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 \$78,324 for the general fund and \$340,294 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 \$606,037 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	\$ 467,995	\$ 101,594,061	\$ 102,062,056
Special Revenue Fund	7,377,414	928,131	8,305,545
Debt Service Fund		349,441	349,441
Food Service Enterprise Fund	2,355,368	39,588	2,394,956
Total award revenues	<u>\$10,200,777</u>	<u>\$ 102,911,221</u>	<u>\$ 113,111,998</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, 2019

#### **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, 2019.

The post retirement pension, medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2019 amounted to \$26,061,435. 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 prior year encumbrances, which was utilized to offset current year expenditures.

#### **7. Indirect Costs**

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Toms River Regional School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2019

**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   X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes   X   None Reported

Noncompliance material to the basic financial statements noted?

\_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major federal 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 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
84.010	S010A180030	Title I, Part A

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, 2019

**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
	<b>General State Aid Cluster:</b>
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
	<b>Other State Programs:</b>
100-034-5120-473	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_  
\$2,304,661

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, 2019

**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, 2019

**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, 2019

No prior year findings were noted.