

**SCHOOL DISTRICT OF  
SOUTHAMPTON TOWNSHIP**

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
Southampton, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**

**SOUTHAMPTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



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**INTRODUCTORY SECTION**

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# SOUTHAMPTON TOWNSHIP SCHOOLS

*in Historic Vincentown Village*

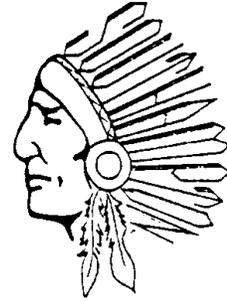
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***"Building a Tradition of Excellence"***



Michael L. Harris  
*Superintendent of Schools*

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Honorable President and Members of the Board of Education  
Township of Southampton School District  
County of Burlington  
Vincentown, New Jersey 08088

The comprehensive annual financial report of the Southampton Township School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Board of Education. 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 and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, Nonprofit Organizations, and the State Treasury Circular Letter 04-04 and/or 15-08 OMB (Single Audit Policy For Recipients of Federal Grants, State Grants, and State Aid Payments). Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Southampton Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3.

All funds and account groups of the District are included in this report. The Southampton Township Board of Education and its school constitute the District's reporting entity.

The District provides educational services appropriate to grade levels K through 8. Our Kindergarten students participate in a full-day program that is further enhanced by the presence of an instructional assistant in each classroom to assist the students, teacher, and supplement instructional activities. In addition, the school District operates a pre-school program for student's aged 3-5 who have special needs. A full array of support services including comprehensive special education programming, basic skills instruction, guidance services, and enrichment programs are available to our students.

At the end of the 2014-2015 school year the District had an enrollment of 715 students. The following details the changes in student enrollment over the past twelve years:

**AVERAGE DAILY ENROLLMENT**

<i>Fiscal Year</i>	<i>Student Enrollment</i>	<i>Percent Change</i>
2002-2003	885.5	- 1.33 %
2003-2004	862.7	- 2.57%
2004-2005	836.3	- 3.06%
2005-2006	811.2	- 3.00%
2006-2007	804.8	- 0.79%
2007-2008	802.7	- 0.26%
2008-2009	797.1	- 0.70%
2009-2010	797.7	- 0.08%
2010-2011	793.8	- 0.49%
2011-2012	783.9	- 1.24%
2012-2013	739.0	- 5.73%
2013-2014	723.2	- 2.14%
2014-2015	710.8	-1.71%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The economic condition of Southampton Township continues to be stable. For the first time in three years the township experienced an increase in ratables. No significant change in business or industrial growth is projected. Property values in the area during the past couple of years have remained stable due to a flat market pertaining to real estate values nationwide.

Residential development is presently almost at a standstill and thus is not impacting the resources of the school District. Presently, the majority of new housing can be characterized as high-end single family homes in a rural setting. However, there is potential for substantial residential development in the community.

- 3) **MAJOR INITIATIVES:** The Board of Education and administration have continued to be aggressively committed to upgrading and maintaining the school grounds and facilities.

The school district submitted seven (7) ROD4 grants in the spring of 2013 to the School Development Authority and six (6) of the grants were approved to receive 40% state funding for each project.

The major SDA grants are for the air conditioning of each school. The total projected cost of the projects is estimated to be \$7.5 million dollars. The SDA share is approximately \$3 million dollars. The local share of \$4.5 million dollars is being funded via a ten year bond.

These projects were approved by the community on September 30, 2014 via a special bond referendum vote.

The Board of Education accepted bids for School #1 in March 2015 and installation of air conditioning was completed during the summer of 2015.

Construction for air conditioning in School #2 and School #3 is planned for the summer of 2016. It is anticipated that the bid award for the School #2 and School #3 air conditioning will be in December 2015.

Another of the ROD4 grants will partially fund the replacement of the School #1 roof. The majority of the local share for this project is being funded via the district's capital reserve account. The Board of Education placed some available fund balance in this account for the past four years to save for this project. The anticipated completion date for this project is the summer of 2016.

Two (2) of the approved SDA grants enable the district to enhance security for our students and staff. The grants partially funded the construction of "Intruder Doors" in School #2 and School #3 which allow the facility to be locked down in each wing of the buildings in the event of an emergency / crisis. The local share of funding for these grants is being provided via the regular school budget.

One set of the intruder doors in School #3 was constructed in November 2014 and two more sets of intruder doors in School #2 were constructed in November 2015.

During the summer of 2013, local funds were used to install speed humps on Warrior Way in order to slow down traffic and further enhance the safety of students and staff. In addition, the ceiling tile in the School #3 hallways was replaced, security enhancements were installed in the School #1 and School #2/#3 complex, and energy efficient lighting was installed throughout the school district.

After almost two years of planning and negotiation the school district entered into a Power Purchase Agreement (PPA) for a solar ground array with Marina Energy. Construction of the solar ground array was completed in February 2014. The PPA is projected to save the school district over one million dollars in electrical energy costs during the fifteen year agreement.

The solar project will also provide an excellent educational experience for the students and residents alike as a result of the landscaping that will occur as part of the buffering plan for the solar ground array. The landscaping will include wild grasses, wildflowers, and shrubbery. This area will be used for environmental education classes. The first phase of the buffering plan was planted in the spring of 2014.

As a result of the solar ground array, the district has relocated two of the athletic fields closer to the buildings. Construction of the fields commenced during the Fall of 2015 after long and arduous negotiations with the owner of the solar ground array and the contractor who installed the solar array. The new fields will be ready to use for the Fall 2016 athletic season.

The school district's focus on educational programming and educational achievement for the 2014-2015 school year are articulated in the three (3) goals that were developed with input from the teaching staff, Administrative Team, and Board of Education. The goals are as follows:

**GOAL #1:** The superintendent and administrative team will develop a comprehensive action plan to guide the district in the continued development of a Science, Technology, Engineering, and Mathematics (STEM) program. During the 2015-2016 school year, a framework for the STEM program in K-5 will be developed and preparations (including scheduling, professional development, resource procurement and curriculum writing) for the implementation of the adopted "Project Gateway" STEM program for middle school will be finalized. The district STEM Steering Committee consisting of Board of Education members, parents, teachers, and administration will be utilized to assist in this process.

**GOAL #2:** The superintendent and administrative team will develop a comprehensive action plan to guide the district in successfully revising the district's science curriculum to align with the Next Generation Science Standards (NGSS) adopted by New Jersey. By June 2016, a framework for the middle school science curriculum will be completed including integrating STEM units from "Project Gateway". During the summer of 2016 the formal curriculum revision will be completed and professional development for the teaching staff will be scheduled.

**GOAL #3:** The superintendent, administrative team, and Common Core Standards consultant will develop an action plan to guide the successful implementation of Writer's Workshop in grades K-5 to address student achievement pertaining to writing. During the 2015-2016 school year Writer's Workshop will be implemented, 100% of the regular education and special education teaching staff in grades K-5 will develop a Student Growth Objective (SGO) pertaining to writing, and by June 2016, 100% of the K-5 regular education and special education teaching staff will have participated in professional development relative to this initiative.

It is important to note that the Board of Education and Administrative Team continue to make a major commitment, both financially and through professional development to support the implementation of the Common Core State Standards, Response to Intervention, K-5 writing program (Writer's Workshop); Science, Technology, Engineering, Mathematics (S.T.E.M.), and teacher / principal evaluation system initiatives. All five of these initiatives are designed to enhance the quality of the instructional program and ultimately have a positive impact on student achievement.

Professional development activities during the 2015-2016 include yearlong consultation with an outside consultant pertaining to the implementation of Common Core State Standards including development of close reading protocols, creating PARCC like classroom assessments, and facilitating the implementation of Writer's Workshop. This professional development will consist not only of workshops for staff, but also classroom imbedded instruction including demonstration lessons.

The district underwent New Jersey Department of Education monitoring through the Quality Single Accountability Continuum (QSAC) in 2012-2013. The monitoring process was a comprehensive review of the school district's operations and was broken down into five (5) components that include program and instruction, fiscal management, governance, operations management, and personnel.

A score of 80% or greater is required in each of the aforementioned areas for a school district to be in full compliance with the monitoring elements. The school district was found to be in compliance with scores of 88% in fiscal management, 98% in governance, 100% in personnel, 100% in operations management, and 88% in program and instruction.

As a result of the district's performance via QSAC monitoring, the New Jersey State Board of Education has certified Southampton Township Schools as a "high performing" school district.

The district is scheduled to undergo QSAC monitoring during the 2015-2016 school year. However, as a result of being designated as a "high performing" district during the last round of monitoring, we have been informed that Southampton may be eligible for a equivalency waiver. This would afford the district with a three year extension prior to the next State monitoring being conducted. The required Statement of Assurance (SOA) has been completed and submitted to the New Jersey Department of Education. It is anticipated that the district will receive notification of the equivalency waiver has been granted in February 2016.

The curricula of the Southampton Township School District are aligned to and in accordance with the Common Core State Standards and the 2009 New Jersey State Core Curriculum Standards. The school district utilizes a five year curriculum review matrix to ensure that every content area is reviewed, enhanced through revisions, monitored, and assessed within the approved cycle. The written curricula are developed in-district with the active participation of the teaching staff in collaboration with the curriculum director and administrative team. The focus of the written curricula is to ensure that the various Common Core State Standards and the 2009 New Jersey Core Curriculum Content Standards are thoroughly addressed via classroom instruction. Careful consideration is given to grade level articulation, the scope and sequence of the curricula, and ensuring that selected textbooks and supplemental materials align with the standards.

The district is in the process of transitioning the written curricula to an on-line application using Rubicon Atlas software. The teaching staff and administration are participating in professional development on how to use the software as well as how to develop well written curriculum.

Enhancements to the school district's curricula during the 2014-2015 school year included the review and revision of the following content areas to ensure that the Core Curriculum Content Standards are effectively addressed:

- Grades K-8 Technology (significant revision to incorporate elements of S.T.E.M.)
- Grades K-8 Literacy (continued development of close reading protocols)

Southampton Township School District has continued to improve its educational technology over the last three years. All classrooms, computer labs, and offices have high speed Internet connectivity. The district has three (3) computer labs and three (3) mobile carts. During the summer of 2014, the district procured three (3) additional mobile carts with laptops that ensured we were prepared for the implementation of the PARCC on-line assessment in the spring of 2015.

Recently, the superintendent and Board have discussed the vision of achieving a one to one initiative of laptop devices for every student. With this in mind the district recently effected the procurement of 100 more laptops as a first step in achieving this goal.

The school district achieved its goal of installing a Smart Board in every regular education classroom throughout the district. Smart Boards are highly motivating for students and provide them with a hands-on experience that enhances the learning experience for classroom instruction via a multi-sensory approach. In addition, the school district has installed wireless access points throughout the school district which allow the Smart Boards to be mobile and used in any area of the buildings.

During the summer of 2014 and 2015, the school district procured twenty-four (24) short throw projectors for use with the Smart Boards. The previous two summers twenty-two (22) short throw projectors were installed. The district is close to achieving its goal is to replace all of the viewers that are on carts with the wall mounted viewers.

A major technology initiative during the summer of 2013 was accomplished as the school district transitioned to a Virtual Machine (VM) environment. The VM environment enables the desktop image to be delivered via servers and thus effectively eliminates the obsolescence of personal computers as long as the hardware is viable. In addition, all of the districts' computers were reimaged and the district has transitioned to Business Class Internet service via Comcast.

The school district has a television studio in Southampton Township School #3 which is our middle school educating students in grades 6-8. The television studio provides School #3 with a fully integrated and networked closed circuit television system. The television studio is being used by students to produce a daily school news show, original productions, and video special school events. In addition, our middle school students have the opportunity to participate in a Media Club and take an elective course entitled Studio Production. This initiative was funded via a major grant in the amount of \$34,000 by the Southampton Township Academic Resource (STAR) Foundation.

The school district utilizes Realtime as our student information system. Realtime enables the staff to track attendance, record and maintain grades, schedule teacher, student, and facility information, record discipline, maintain medical information, manage special education enrollment and Individualized Education Programs, and easily complete mandated New Jersey Department of Education reports.

A Parent Portal is another prominent feature of Realtime. The Parent Portal functions as another means of communication between teachers and parents. The parents of middle school students are be able to access their child's school related data. The data parents can view include grades, schedule, attendance, and school calendar information. In addition, parents are be able to update their contact information.

During the 2015-2016 school year the Board of Education has developed three (3) goals that are the focus of the Board of Education's effort during the school year. These goals are developed collaboratively by the Board of Education members with input from the superintendent.

The Board of Education goals for 2015-2016 are as follows:

- Goal #1:** The Board of Education will Enhance Governance and Operations through participation in NJSBA Academy Program to achieve NJ School Board Certification by spring 2016.
- Goal #2** The Board of Education, in cooperation with Chief School Administrator will develop and implement an action plan to increase the Board of Education's visibility at school events and to enhance the involvement/engagement of the community.
- Goal #3** During the 2015-2016 school year the Board of Education will collaborate with the Chief School Administrator to assist in the development and facilitation of the Science, Technology, Engineering, and Math (STEM) program. Their efforts will include attending STEM related workshops at the New Jersey School Board Association convention, conducting a public forum pertaining to STEM in cooperation with the Chief School Administrator, assigning Board Members to serve on the STEM Focus Group, and providing the personnel and material resources to ensure successful implementation of the program in September 2016.

The school district's Governance Manuals is an electronic format that is available on-line. The Board of Education has an annual maintenance contract with Strauss & Esmay, Inc. that provides policy and regulation updates, plus the on-line subscription.

During the summer of 2014 the school district's job descriptions manual underwent a comprehensive review and update. The job description manual is reviewed annually during the summer and revisions are effected to specific jobs as deemed necessary.

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure 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 structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized 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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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 and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by

voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial sections.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups 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 for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2015.

Revenue	Amount	Percentage of Total
Local Sources	\$ 11,016,070	74.2 %
State Sources	3,517,327	23.7 %
Federal Sources	305,638	2.1 %
Total	14,839,035	100.0 %

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015.

Expenditures	Amount	Percentage of Total
Current:		
Instruction	\$ 7,478,541	50.3%
Undistributed Expenditures	6,253,227	42.1%
Capital Outlay	655,801	4.4%
Debt Service	469,500	3.2%
Total	\$ 14,857,069	100%

- 8) **DEBT ADMINISTRATION:** At June 30, 2015 the District's outstanding debt issues include a combined total of \$6,336,000 as follows:

\$1,815,000 of refunded general obligation bonds. The District originally issued \$5,305,000 of general obligation bonds in June 2003. The proceeds for this issue were placed in the District's Capital Projects Funds for use to provide major renovations to School #1 and School #2, minor renovations to School #3, and construction of a new parking lot. The State of New Jersey has committed to matching 39% of actual costs up to \$3,370,000

for these projects. To date, more than \$7,000,000 from combined state and local sources have been expended.

\$4,521,000 of general obligation bonds in December 2014, following voter approval of a September 2014 referendum. The proceeds for this issue were placed in the District's Capital Projects Funds for use to provide Air conditioning and related HVAC renovations to School #1, School #2, minor renovations and School #3. The State of New Jersey has committed to matching 39% of actual costs up to \$3,370,000 for these projects. To date, more than \$500,000 from combined state and local sources have been expended.

- 9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 10) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident, and fidelity bonds.
- 11) **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountant. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports relating specifically to the single audit are included in the single audit section of this report.
- 12) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Southampton Township Board of Education for their efforts in providing fiscal accountability to the citizens and taxpayers of Southampton Township. We gratefully acknowledge and express our sincere thank you to the Board for their commitment to and full support of the ongoing development and maintenance of our financial and educational operation.

Respectfully submitted,

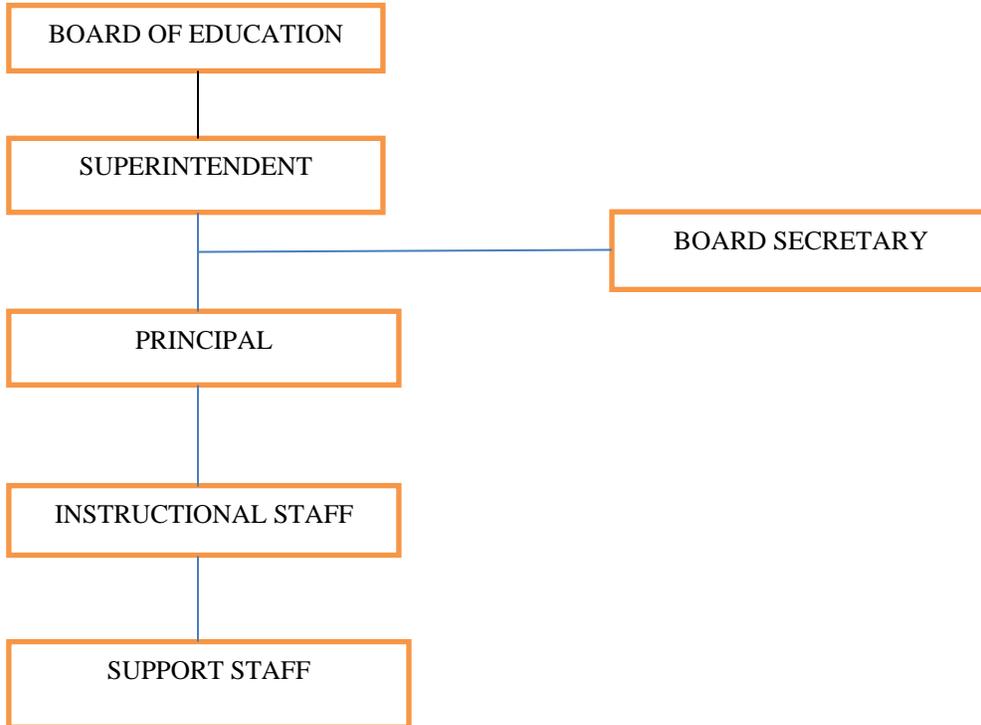
  
\_\_\_\_\_  
Michael L. Harris  
Superintendent

  
\_\_\_\_\_  
Barbara A. Godfrey  
Business Administrator/Board Secretary

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
177 Main Street  
Southampton, New Jersey 08088

**ORGANIZATIONAL CHART**



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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**177 Main Street**  
**Southampton, New Jersey 08088**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES December 31,</b>
Betty Wright, President	2015
Russell Hann, Vice President	2015
Joseph Caputo	2016
Arnold E. Harrison, III	2017
Jeffrey Hicks	2016
Kristen Kaminski	2015
Suzanne Phillips	2016
Charles Roseboro	2015
Tracey Walker	2017

**OTHER OFFICIALS**

Michael L. Harris, Superintendent of Schools

Barbara A. Godfrey, School Business Administrator/Board Secretary

Dawn Emmons, Treasurer

David Serlin, Esq., Solicitor

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**

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**ARCHITECT**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Southampton Township Board of Education  
County of Burlington  
Southampton, New Jersey 08088

### 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 Southampton Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards 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 auditor's 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 Southampton Township Board of Education, County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplemental information as listed 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 Southampton Township Board of Education's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedule of Expenditures of State Financial Assistance are the responsibility of management and were

derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information 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 18, 2015 on our consideration of the Southampton Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Southampton Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

December 18, 2015  
Medford, New Jersey

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SOUTHAMPTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

The discussion and analysis of the Southampton Township Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The 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* issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in MD&A.

**Financial Highlights**

Key Financial highlights for 2014-2015 are as follows:

- As described in Note 20 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of (\$2,546,947) as indicated in Note 20 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.
- A significant deposit was made into Capital Reserve in anticipation of a few capital improvement initiatives including, but not limited to, replacement of School #1 roof, technology infrastructure, and enhanced security.
- Considerable resources for professional development, supplies and materials were dedicated for Special Education and Response to Intervention for students.
- In January 2012, the Southampton Township Board of Education approved changing the annual election date for its members from the third Tuesday in April to the first Tuesday after the first Monday in November (the General Election), beginning in 2012, in accordance with P.L. 2011, Chapter 202. This effectively eliminates the annual voter referendum on the proposed general fund tax levy (i.e., the base budget which is at or below the statutory tax levy cap). The Board of Education did so because it believes that the financial interest of its constituents is safeguarded by the state's tax levy cap and the thorough review of the proposed school budget by the Executive County Superintendent and the Executive County School Business Administrator.

This change will remain in effect at least through November 2015. Members of the Southampton Board of Education whose terms expire in 2015 will continue to serve in office until December 31, 2015. Newly elected / re-elected Board members will take office at the January 4, 2016 organization meeting.

## **Using This Comprehensive Annual Financial Report (CAFR)**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Southampton Township Board of Education as a financial whole; and entire operating entity. The statements then provide a detailed analysis of the financial activities of each fund. In addition, this report also contains other supplementary and statistical information.

### **Reporting the School District as a Whole (Government-wide Financial Statements)**

#### **Statement of Net Position and the Statement of Activities**

*The Statement of Net Position and Statement of Activities* provides information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental activities and business-type activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's individual funds with all funds presented. In the case of the Southampton Township Board of Education, the General Fund is by far the most significant fund. The governmental activities are mainly supported by taxes and intergovernmental revenues, while the business-type activities are intended to recover all or a significant portion of their costs through user fees and charges.

While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answers this question. The Statement of Net Position includes all assets and liabilities, while the Statement of Activities shows the cost of program services and the charges for those services and the grants offsetting those services. They use the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting takes into account all of the current year's revenues and expenses regardless of when the timing of the related cash is received or paid.

These two statements report the School District's net position and changes to those positions. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

**Governmental Activities** – These activities report on the School District's programs and services including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, grant programs, and capital outlay. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and the Debt Service Fund.

**Business Type Activities** – These activities provide for a charge for goods or services to recover the expenses of the goods and services provided. The food service operations and community interest programs (i.e. summer recreation) are reported here.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

Fund Financial reports provide detailed information about the School District's activities that are segregated for specific activities or objectives. The School District uses many funds to account for a multitude of financial transactions. These funds are divided into three categories: Governmental, Proprietary, and Fiduciary Funds.

### **Governmental Funds**

The School District maintains four individual 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 measure 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 difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements. The School District adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found in Exhibits B-1 through B-3 of this report.

### **Proprietary Funds**

The School District maintains one proprietary fund, which consists of two enterprise funds that report on the food service operations and the community interest programs. This fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The basic proprietary fund financial statements can be found in Exhibits B-4 through B-6 of this report.

### **Fiduciary Funds**

The School District's fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's activities. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found in Exhibit B-7 through B-8 of this report.

### **Notes to the 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 financial statements can be found on pages 59-87 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents statistical and single audit information and schedules relative to the School District and/or its serving community.

## The School District as a Whole

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

The District's financial position is the product of several 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.

Table 1 provides a summary of the School District's net position for fiscal year 2015. A detailed analysis can be found in Exhibit A-1.

**Table 1 - Net Position**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	2015 TOTAL	2014 TOTAL
Cash & Cash Equivalents	\$ 4,837,066	\$ 8,138	\$ 4,845,204	\$ 98,782
Receivables, Net	799,206		799,206	683,754
Inventory	-	4,497	4,497	10,760
Restricted Cash & Cash Equivalents	632,296	-	632,296	898,108
Capital Assets, Non-Depreciable (Note 5)	1,012,043	-	1,012,043	564,918
Capital Assets, Depreciable (Note 5)	15,559,560	119,035	15,678,595	15,967,529
<b>Total Assets</b>	<b>22,840,171</b>	<b>131,670</b>	<b>22,971,841</b>	<b>18,223,851</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Outflows Related to Pensions	255,036	-	255,036	
Deferred Charge on Refunding of Debt	27,534	-	27,534	34,564
<b>Total Deferred Outflow of Resources</b>	<b>282,570</b>	<b>-</b>	<b>282,570</b>	<b>34,564</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>23,122,741</b>	<b>131,670</b>	<b>23,254,411</b>	<b>18,258,415</b>
<b>LIABILITIES</b>				
Accounts Payable	357,403	10,342	367,745	273,144
Unearned Revenues	-	1,155	1,155	1,678
Accrued Interest Payable	49,668	-	49,668	4,542
Pensions Payable	120,865	-	120,865	
Noncurrent Liabilities (Note 6):				
Due Within One Year	722,368	-	722,368	431,368
Due Beyond One Year	8,603,972	-	8,603,972	2,246,463
<b>Total Liabilities</b>	<b>9,854,276</b>	<b>11,497</b>	<b>9,865,773</b>	<b>2,957,195</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflows Related to Pensions	152,408	-	152,408	-
<b>Total Deferred Inflow of Resources</b>	<b>152,408</b>	<b>-</b>	<b>152,408</b>	<b>-</b>
<b>Total Liabilities and Deferred Outflow of Resources</b>	<b>10,006,684</b>	<b>11,497</b>	<b>10,018,181</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	15,099,474	119,035	15,218,509	14,545,265
Restricted For:				
Other Purposes	827,722	-	827,722	957,878
Debt Service	(32,566)	-	(32,566)	12,810
Unrestricted	(2,778,573)	1,138	(2,777,435)	(214,733)
<b>Total Net Position</b>	<b>\$ 13,116,057</b>	<b>\$ 120,173</b>	<b>\$ 13,236,230</b>	<b>\$ 15,301,220</b>

As noted earlier, the District's net position may serve over time as a useful indicator of a government's financial position. The largest portion of the District's net position (95 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide the educational programs, consequently, these assets are not available for future spending. Although the District's investment in its capital assets are 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.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations.

Table 2 shows changes in net position for fiscal year 2015. A detailed analysis can be found in Exhibit A-2.

**Table 2 - Changes in Net Position**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total June 30, 2015</b>	<b>Total June 30, 2014</b>
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Food Services	\$ -	\$ 170,091	\$ 170,091	\$ 160,612
Operating Grants & Contributions	2,913,068	107,289	3,020,357	478,097
<b>General Revenues:</b>				
Property Taxes:				
Debt Service	469,250	-	469,250	820,943
General Purposes	10,456,357	-	10,456,357	10,133,516
Federal & State Aid Not Restricted	2,301,525	-	2,301,525	3,204,263
Other Revenues	90,463	8	90,462	58,122
Cancellation of Prior Year A/R	-	-	-	(30,583)
Cancellation of Current Year A/P	-	-	-	10,940
<b>Total Revenues</b>	<b>16,230,663</b>	<b>277,388</b>	<b>16,508,051</b>	<b>14,835,910</b>
<b>Expenses:</b>				
Instruction Services	7,478,541	-	7,478,541	5,754,075
Tuition- Special Education	631,149	-	631,149	552,655
Student Related Services	1,343,590	-	1,343,590	1,382,701
Administrative Services	1,454,578	-	1,454,578	1,155,802
Plant Operations & Maintenance	1,031,091	-	1,031,091	1,242,042
Student Transportation	571,828	-	571,828	528,380
Business Support Services	-	-	-	752
Employee Benefits	2,641,319	-	2,641,319	3,343,829
Interest on Long-Term Debt	114,093	-	114,093	95,893
Increase / (Decrease) in Compensated Absences	1,467	-	1,467	(34,738)
Unallocated Depreciation	470,701	-	470,701	464,041
Food Service Operations	-	287,737	287,737	270,434
<b>Total Expenses</b>	<b>15,738,357</b>	<b>287,737</b>	<b>16,026,094</b>	<b>14,801,776</b>

Change in Net Position	492,306	(10,349)	481,948	34,500
Net Position, Beginning July 1 (Restated – See Note 20)	<u>12,623,751</u>	<u>130,522</u>	<u>12,754,273</u>	<u>15,266,720</u>
Net Position, Ending June 30	<u>\$13,116,057</u>	<u>\$120,173</u>	<u>\$13,236,221</u>	<u>\$15,301,220</u>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 67 percent of revenues for fiscal year 2015. Federal and state aid, accounted for another 14 percent. The District's total governmental activities revenues were \$16,230,662 and expenses were \$15,738,357 for the year ended June 30, 2015. A detailed analysis of these revenues and expenditures are found in Exhibit B-2.

### Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Business-type expenses did exceed revenues by \$10,357.
- Charges for services are amounts paid by patrons for daily food service operations.

Federal and state operating grant revenues are for the reimbursement for meals, including payments for free and reduced priced lunches and donated commodities. The District did not make a contribution to the operation of the food service program.

### The School District's Funds

Governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$14,839,285 and expenditures were \$14,857,069. The net position change in overall fund balance for the year was \$(17,784).

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. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to prior year revenues. Further details are found in Exhibit B-2.

**Table 3 - Revenues of the Governmental Funds**

	<u>Amount</u> <u>2014-2015</u>	<u>Percent</u> <u>of Total</u>	<u>Amount</u> <u>2013-2014</u>	<u>Increase/</u> <u>(Decrease)</u> <u>from 2014</u>	<u>Percent of</u> <u>Increase/</u> <u>(Decrease)</u>
<b>Revenues:</b>					
Local Sources	\$ 11,016,070	74.2%	\$ 11,012,581	\$ 3,489	1.4%
State Sources	3,517,327	23.7%	3,269,463	247,864	99.7%
Federal Sources	305,638	2.1%	308,363	(2,725)	(1.1)%
<b>Total</b>	<u>\$14,839,035</u>	<u>100.00%</u>	<u>\$ 14,590,407</u>	<u>\$ 248,628</u>	
	(1)	(2)		(3)	

- (1) From B-2
- (2) Function of each item over total
- (3) Function of each item over the previous year.

The increase in local revenue was due to a decrease in the local property tax levy and increase miscellaneous revenues of \$30,744. The increase in State Sources was primarily due to the State of New Jersey increasing aid to support the general fund operating budget. Federal revenues decreased slightly due to smaller awards being received for No Child Left Behind.

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts. Further details are found in Exhibit B-2.

**Table 4 - Expenditures of the Governmental Funds**

	<b>Amount 2014-2015</b>	<b>Percent of Total</b>	<b>Amount 2013-2014</b>	<b>Increase/ (Decrease) from 2014</b>	<b>Percent of Increase/( Decrease)</b>
<b>Expenditures</b>					
<i>Current Expense</i>					
Instruction	\$ 7,478,541	50.3%	\$ 5,754,075	\$ 1,724,466	30.0%
Undistributed	5,052,438	34.0%	7,122,418	(2,069,980)	(29.1%)
<i>Capital Outlay</i>	655,801	4.4%	83,272	572,529	687.5%
<i>On-Behalf State</i>	1,200,789	8.1%	1,083,743	117,046	10.8%
<i>Debt Service</i>					
Principal	415,000	2.8%	770,000	(355,000)	(46.1%)
Interest	54,500	0.4%	129,724	(75,224)	(58.0%)
<b>Total</b>	<b>\$14,857,069</b>	<b>100.00%</b>	<b>\$14,943,232</b>	<b>\$86,163</b>	

Changes in expenditures were the results of varying factors. Current expenses increased due to increased instructional staff and professional development, undistributed expenses, and On-behalf State Contributions. Debt Service decreased as final payment of a 1994 bond was occurred in fiscal year 2014.

### GENERAL FUND BUDGETING HIGHLIGHTS

The School District's budget is prepared in accordance with New Jersey law, and is based on accounting for certain transactions on a cash basis of receipts, disbursements and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised the annual operation budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. The District experienced significant cost savings in several areas; including salaries, primarily due to retirements, special education tuition, transportation, and employee benefits. This afforded the district to focus on replacing computers to support classroom instruction. Several material transfers were necessary. Detail of individual program budget revisions are reflected in Exhibit C-1 of the CAFR.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instruction staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business operations include expenses associated with administrative and financial supervision of the District, and legal, architectural, telecommunication services.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

### FUND BALANCES

Table 5 shows a comparison of the fund balances in each of the District's Governmental and Business-type activities funds.

**Table 5 - Changes in Fund Balances**

<b>Governmental Funds</b>	<b>Amount 2014-2015</b>	<b>Amount 2013-2014</b>	<b>Increase/ (Decrease) from 2014</b>
General Fund (Exhibit C-1)			
Restricted Reserves:			
• Capital Reserve	\$ 538,651	\$ 763,625	(\$ 224,974)
• Emergency Reserve	1	840	(839)
• Maintenance Reserve	18,644	18,644	-0-
• Tuition Reserve	75,000	115,000	(40,000)
• Excess Surplus Current	195,426	-0-	195,426
• Excess Surplus Prior Year	-0-	59,770	(59,770)
Encumbrances	107,347	34,131	73,216
Designated for Subsequent Year	-0-	61,986	(61,986)
Unassigned Fund Balance	259,028	48,124	210,904
Total General Fund Balance	<u>\$ 1,194,097</u>	<u>\$ 1,102,120</u>	<u>\$ 91,977</u>
Special Revenue Fund (Exhibit E-1)	-0-	-0-	-0-
Capital Projects Fund (Exhibit F-1)	4,854,533	288,728	4,565,805
Debt Service Fund (Exhibit I-3)	17,102	17,352	(250)
Proprietary Fund (Exhibit G-1)	120,173	130,522	(10,349)
Fiduciary Fund (Exhibit H-1)	120,354	121,826	(1,472)

Reservations of fund balance with material changes was Capital Reserve. An increase of \$75,000 to Capital Reserve was a result of a year-end contribution by June resolution.

### CAPITAL ASSETS

At the end of the fiscal year 2015, the School District had \$16,690,637 invested in land, buildings, furniture, equipment, and vehicles, as shown in Table 6 on the next page.

**Table 6 - Capital Assets (Net of Depreciation) at June 30**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land & Improvements	564,918	564,918	-	-	564,918	564,918
Construction In Progress	447,125	-	-	-	447,125	-
Building	22,457,850	22,445,129	-	-	22,457,850	22,445,129
Machinery & Equipment	1,408,035	1,235,885	172,992	172,992	1,581,027	1,408,877
Vehicles	19,934	19,934	-	-	19,934	19,934
Subtotal	24,897,862	24,265,866	172,992	172,992	25,070,854	24,438,858
Accumulated Depreciation	(8,326,259)	(7,855,558)	(53,958)	(50,854)	(8,380,217)	(7,906,412)
Total	\$ 16,571,603	\$ 16,410,308	\$ 119,034	\$ 122,138	\$ 16,690,637	\$ 16,532,446

Land and construction in progress are not depreciated. Overall capital assets increased by a net of \$158,191 from fiscal year 2015 to fiscal year 2014. For more detailed information, refer to the Note 5 of the Notes to the Financial Statements.

### **DEBT ADMINISTRATION**

In the governmental funds, at June 30, 2015, the School District had \$9,326,340 of outstanding debt. Of this amount \$368,824 is for compensated absences, \$2,557,410 is for net pension liability, \$6,336,000 from bonds outstanding (\$1,815,000 for the 2014 bond refunding and \$4,521,000 for the December 2014 bond issuance), and \$64,106 is for bond premium. There was no debt outstanding in the business-type activities funds the District's credit rating as determined by Moody's continues to be AA for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue. The District's limit is 3 percent of its equalized valuation basis. The current debt limitation for the District is \$33,739,545. The District's outstanding general obligation debt is \$6,336,000. The remaining school borrowing margin available is \$27,403,545.

Additional information on the District's long-term debt can be found in note 6 in the notes to the basic financial statements.

### **FOR THE FUTURE**

The Southampton Township Board of Education is in good financial condition presently. The School District is proud of its community support. As evidenced by the financial statement contained herein, the district exhibits fiscal restraint while continuing to provide an excellent educational program for its students.

A major concern is the lack of state and federal revenues, which have resulted in increased property taxes. The delay of payment into the next fiscal year of the June payment, now representing ten percent (10%) of total State aid is of great concern to the Board of Education. The State of New Jersey has continued to diminish its' share of funding for the Southampton Township School District. In fiscal year 1992, direct state aid was \$2,350,000, representing 36% of the \$6.7 million general operating budget. In fiscal year 2015 direct state aid was \$2,132,632, representing a mere 16.9% of the \$13 million general operating budget. Consequently the lack of proportionate state support has shifted the burden to the taxpayers of the community with tax levy now representing 82.9% of the general operating budget versus 56% in fiscal year 1992.

In conclusion, the Southampton Township Board of Education has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

#### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Mrs. Barbara A. Godfrey, School Business Administrator/Board Secretary, at the Southampton Township Board of Education, 177 Main St., Southampton, New Jersey 08088-8874

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 4,837,066	\$ 8,138	\$ 4,845,204
Receivables, Net	799,206		799,206
Inventory	-	4,497	4,497
Restricted Cash & Cash Equivalents	632,296	-	632,296
Capital Assets, Non-Depreciable (Note 5)	1,012,043	-	1,012,043
Capital Assets, Depreciable (Note 5)	15,559,560	119,035	15,678,595
<b>Total Assets</b>	<b>22,840,171</b>	<b>131,670</b>	<b>22,971,841</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	255,036	-	255,036
Deferred Charge on Refunding of Debt	27,534	-	27,534
<b>Total Deferred Outflow of Resources</b>	<b>282,570</b>	<b>-</b>	<b>282,570</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>23,122,741</b>	<b>131,670</b>	<b>23,254,411</b>
<b>LIABILITIES</b>			
Accounts Payable	357,403	10,342	367,745
Unearned Revenues	-	1,155	1,155
Accrued Interest Payable	49,668	-	49,668
Pensions Payable	120,865	-	120,865
Noncurrent Liabilities (Note 6):			
Due Within One Year	722,368	-	722,368
Due Beyond One Year	8,603,972	-	8,603,972
<b>Total Liabilities</b>	<b>9,854,276</b>	<b>11,497</b>	<b>9,865,773</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	152,408	-	152,408
<b>Total Deferred Inflow of Resources</b>	<b>152,408</b>	<b>-</b>	<b>152,408</b>
<b>Total Liabilities and Deferred Outflow of Resources</b>	<b>10,006,684</b>	<b>11,497</b>	<b>10,018,181</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,099,474	119,035	15,218,509
Restricted For:			
Other Purposes	827,722	-	827,722
Debt Service	(32,566)	-	(32,566)
Unrestricted	(2,778,573)	1,138	(2,777,435)
<b>Total Net Position</b>	<b>\$ 13,116,057</b>	<b>\$ 120,173</b>	<b>\$ 13,236,230</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	NET POSITION	
Governmental Activities:							
Instruction:							
Regular	\$ 5,653,289	\$ -	\$ 300,499	\$ (5,352,790)	\$ -	\$ (5,352,790)	
Special Education	1,238,381	-	-	(1,238,381)	-	(1,238,381)	
Other Special Instruction	576,224	-	-	(576,224)	-	(576,224)	
Other Instruction	10,647	-	-	(10,647)	-	(10,647)	
Support Services & Undistributed Costs:							
Instruction	631,149	-	-	(631,149)	-	(631,149)	
Related Services	380,124	-	-	(380,124)	-	(380,124)	
Health Services	111,295	-	-	(111,295)	-	(111,295)	
Student & Instruction Related Services	852,171	-	-	(852,171)	-	(852,171)	
Educational Media Services/School Library	106,816	-	-	(106,816)	-	(106,816)	
School Administrative Services	626,559	-	-	(626,559)	-	(626,559)	
Central Services	321,377	-	-	(321,377)	-	(321,377)	
Other Administrative Services	399,826	-	-	(399,826)	-	(399,826)	
Plant Operations & Maintenance	1,031,091	-	-	(1,031,091)	-	(1,031,091)	
Pupil Transportation	571,828	-	-	(571,828)	-	(571,828)	
Business & Other Support Services	-	-	-	-	-	-	
Unallocated Benefits	2,641,319	-	2,612,569	(28,750)	-	(28,750)	
Interest & Other Charges on Long-Term Debt	114,093	-	-	(114,093)	-	(114,093)	
Decrease in Compensated Absences - Unallocated	1,467	-	-	(1,467)	-	(1,467)	
Unallocated Depreciation	470,701	-	-	(470,701)	-	(470,701)	
Total Governmental Activities	15,738,357	-	2,913,068	(12,825,289)	-	(12,825,289)	
Business-Type Activities:							
Food Service	\$ 287,737	\$ 170,091	\$ 107,289	\$ -	\$ (10,357)	\$ (10,357)	
Total Business-Type Activities	287,737	170,091	107,289	-	(10,357)	(10,357)	
Total Primary Government	\$ 16,026,094	\$ 170,091	\$ 3,020,357	\$ (12,825,289)	\$ (10,357)	\$ (12,835,646)	

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			BUSINESS- TYPE	TOTALS
	GOVERNMENTAL ACTIVITIES	ACTIVITIES	ACTIVITIES		
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net	10,456,357	-	-		10,456,357
Taxes Levied for Debt Service	469,250	-	-		469,250
Federal & State Aid Not Restricted	2,301,525	-	-		2,301,525
Investment Earnings	1	8	9		9
Miscellaneous Income	90,462	-	-		90,462
	13,317,595	8	8		13,317,603
Total General Revenues, Special Items, Extraordinary Items & Transfers					
Change In Net Position	492,306	(10,349)	481,957		
Net Position - Beginning (Restated - See Note 20)	12,623,751	130,522	12,754,273		12,754,273
Net Position- Ending	13,116,057	\$ 120,173	\$ 13,236,230		13,236,230

The accompanying Notes to Financial Statements are an integral part of this statement.

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**B. Fund Financial Statements**

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## Governmental Funds

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET  
JUNE 30, 2015**

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS
Cash & Cash Equivalents	\$ 607,205	\$ -	\$ 4,214,036	\$ 17,101	\$ 4,838,342
Accounts Receivable:					
State	24,388	-	765,100	-	789,488
Interfund	7,209	-	519	-	7,728
Other	-	7,508	-	2	7,510
Restricted Cash & Cash Equivalents	632,296	-	-	-	632,296
<b>Total Assets</b>	<b>\$ 1,271,098</b>	<b>\$ 7,508</b>	<b>\$ 4,979,655</b>	<b>\$ 17,103</b>	<b>\$ 6,275,364</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 1,276	\$ -	\$ -	\$ 1,276
Accounts Payable	231,049	1,232	125,122	-	357,403
Interfund Payables	519	5,000	-	1	5,520
<b>Total Liabilities</b>	<b>231,568</b>	<b>7,508</b>	<b>125,122</b>	<b>1</b>	<b>364,199</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	538,651	-	-	-	538,651
Emergency Reserve	1	-	-	-	1
Maintenance Reserve	18,644	-	-	-	18,644
Tuition Reserve	75,000	-	-	-	75,000
Excess Surplus	195,426	-	-	-	195,426
Debt Service	-	-	-	17,102	17,102
Capital Projects Fund	-	-	4,854,533	-	4,854,533
<b>Committed to:</b>					
Other Purposes	107,347	-	-	-	107,347
Unassigned Fund Balance	104,461	-	-	-	104,461
<b>Total Fund Balances</b>	<b>1,039,530</b>	<b>-</b>	<b>4,854,533</b>	<b>17,102</b>	<b>5,911,165</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 1,271,098</b>	<b>\$ 7,508</b>	<b>\$ 4,979,655</b>	<b>\$ 17,103</b>	

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 & therefore are not reported in the funds. The cost of the assets is \$24,897,862 and the accumulated depreciation is \$8,326,259.	16,571,603
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	102,628
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(170,533)
Deferred charges on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials.	27,534
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds (Illustrative Note 6).	(9,326,340)
<b>Net Position of Governmental Activities</b>	<b>\$ 13,116,057</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTALS</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 10,456,357	\$ -	\$ -	\$ 469,250	\$ 10,925,607
Tuition	3,000	-	-	-	3,000
Interest on Investments	-	-	1	-	1
Miscellaneous	72,449	15,013	-	-	87,462
Total Revenues - Local Sources	<u>10,531,806</u>	<u>15,013</u>	<u>1</u>	<u>469,250</u>	<u>11,016,070</u>
State Sources	3,338,476	-	178,851	-	3,517,327
Federal Sources	-	305,638	-	-	305,638
Total Revenues	<u>13,870,282</u>	<u>320,651</u>	<u>178,852</u>	<u>469,250</u>	<u>14,839,035</u>
Expenditures:					
Current Expense:					
Instruction - Regular Programs	5,352,790	300,499	-	-	5,653,289
Special Education	1,238,381	-	-	-	1,238,381
Other Special Instruction	576,224	-	-	-	576,224
Other Instruction	10,647	-	-	-	10,647
Undistributed Expense:					
Instruction	631,149	-	-	-	631,149
Related Services	380,124	-	-	-	380,124
Health Services	111,295	-	-	-	111,295
Attendance & Social Work	8,627	-	-	-	8,627
Other Support Services	655,211	-	-	-	655,211
Improvement of Instructional Staff	188,333	-	-	-	188,333
Educational Media Services	106,816	-	-	-	106,816
Support Services General					
Administration	399,826	-	-	-	399,826
Support Services School					
Administration	626,559	-	-	-	626,559
Maintenance for School Facilities	92,467	-	-	-	92,467
Operation & Maintenance of					
Plant Services	938,624	-	-	-	938,624

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTALS</u>
Expenditures (continued):					
Current Expense (continued):					
Student Transportation Services	571,828	-	-	-	571,828
Central Services	321,377	-	-	-	321,377
Unallocated Benefits	50	20,152	-	-	20,202
Nonbudgeted Expenditures	1,200,789	-	-	-	1,200,789
Capital Outlay	208,676	-	447,125	-	655,801
Debt Service:					
Principal	-	-	-	415,000	415,000
Interest & Other Charges	-	-	-	54,500	54,500
Total Expenditures	<u>13,619,793</u>	<u>320,651</u>	<u>447,125</u>	<u>469,500</u>	<u>14,857,069</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>250,489</u>	<u>-</u>	<u>(268,273)</u>	<u>(250)</u>	<u>(18,034)</u>
Other Financing Sources/(Uses):					
Operating Transfers Out	(313,079)	-	(1)	-	(313,080)
Operating Transfers In	1	-	313,079	-	313,080
Bond Proceeds	-	-	4,521,000	-	4,521,000
Total Other Financing Sources/(Uses)	<u>(313,078)</u>	<u>-</u>	<u>4,834,078</u>	<u>-</u>	<u>4,521,000</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	<u>(62,589)</u>	<u>-</u>	<u>4,565,805</u>	<u>(250)</u>	<u>4,502,966</u>
Fund Balance - July 1	<u>1,102,119</u>	<u>-</u>	<u>288,728</u>	<u>17,352</u>	<u>1,408,199</u>
Fund Balance - June 30	<u>\$ 1,039,530</u>	<u>\$ -</u>	<u>\$ 4,854,533</u>	<u>\$ 17,102</u>	<u>\$ 5,911,165</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 4,502,966

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. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$ (470,701)	
Capital Outlays	<u>631,996</u>	161,295

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2015	112,606	
Unfunded TPAF Pension Expense	(1,391,628)	
State Share of Unfunded TPAF Pension Expense	1,391,628	
Pension Expense	<u>(141,306)</u>	(28,700)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 415,000

In the governmental funds, Bond Proceeds are reported as an other financing source. These proceeds are liabilities and are a reduction to the reconciliation. (4,521,000)

Deferred Charge on Retirement of Debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:

Amortization of Loss on Early Retirement of Debt	(7,030)	
Amortization of Bond Premiums	<u>16,368</u>	9,338

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.

Accrued Interest Prior Year	4,542	
Accrued Interest Current Year	<u>(49,668)</u>	(45,126)

Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Current Year	(368,824)	
Prior Year	<u>367,357</u>	(1,467)

Change in Net Position of Governmental Activities \$ 492,306

The accompanying Notes to Financial Statements are an integral part of this statement.

## Proprietary Funds

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

ASSETS	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		JUNE 30, 2015
	FOOD SERVICE		
Current Assets:			
Cash & Cash Equivalents	\$	8,138	\$ 8,138
Inventories		4,497	4,497
Total Current Assets		<u>12,635</u>	<u>12,635</u>
Capital Assets:			
Equipment		172,992	172,992
Less: Accumulated Depreciation		<u>(53,957)</u>	<u>(53,957)</u>
Total Capital Assets		<u>119,035</u>	<u>119,035</u>
Total Assets		<u>131,670</u>	<u>131,670</u>
 LIABILITIES			
Unearned Revenue		1,155	1,155
Accounts Payable		<u>10,342</u>	<u>10,342</u>
Total Liabilities		<u>11,497</u>	<u>11,497</u>
 NET POSITION			
Net Position:			
Net Investment in Capital Assets		119,035	119,035
Unrestricted		<u>1,138</u>	<u>1,138</u>
Total Net Position	\$	<u>120,173</u>	\$ <u>120,173</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>	
	FOOD SERVICE	TOTALS
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 102,921	\$ 102,921
Daily Sales - Nonreimbursable Programs	67,170	67,170
	<hr/>	<hr/>
Total Operating Revenue	170,091	170,091
	<hr/>	<hr/>
Operating Expenses:		
Salaries	99,889	99,889
Employee Benefits	19,832	19,832
Management Fee	19,500	19,500
Insurance	4,838	4,838
Repairs & Miscellaneous Expenses	13,150	13,150
Supplies and Materials	8,169	8,169
Cost of Sales	119,255	119,255
Depreciation	3,104	3,104
	<hr/>	<hr/>
Total Operating Expenses	287,737	287,737
	<hr/>	<hr/>
Operating Income/(Loss)	(117,646)	(117,646)
	<hr/>	<hr/>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,516	2,516
Federal Sources:		
National School Lunch Program	73,269	73,269
National School Breakfast Program	8,698	8,698
Special Milk Program	279	279
Food Distribution Program	22,527	22,527
	<hr/>	<hr/>
Total Nonoperating Revenues/Expenses	107,289	107,289
	<hr/>	<hr/>
Net Income/(Loss) Before Other Financing Sources/(Uses)	(10,357)	(10,357)
	<hr/>	<hr/>
Other Financing Sources/(Uses):		
Interest Revenue - Board Contribution	8	8
	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	8	8
	<hr/>	<hr/>
Change in Net Position	(10,349)	(10,349)
Total Net Position - Beginning	130,522	130,522
	<hr/>	<hr/>
Total Net Position - Ending	\$ 120,173	\$ 120,173
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	<u>JUNE 30, 2015</u>
	<u>FOOD SERVICE</u>	
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 169,568	\$ 169,568
Payments to Employees	(99,889)	(99,889)
Payments for Employee Benefits	(19,832)	(19,832)
Payments to Suppliers	(233,219)	(233,219)
Net Cash Provided/(Used) by Operating Activities	(183,372)	(183,372)
Cash Flows From Noncapital Financing Activities:		
State Sources	2,892	2,892
Federal Sources	111,280	111,280
Net Cash Provided/(Used) by Noncapital Financing Activities	114,172	114,172
Cash Flows From Investing Activities:		
Interest & Dividends	8	8
Net Cash Provided/(Used) by Investing Activities	8	8
Net Increase/(Decrease) in Cash & Cash Equivalents	(69,192)	(69,192)
Balances - Beginning of Year	77,330	77,330
Balances - End of Year	<u>\$ 8,138</u>	<u>\$ 8,138</u>

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (117,646)	\$ (117,646)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation & Net Amortization	3,104	3,104
Increase/(Decrease) in Unearned Revenue	(523)	(523)
(Decrease)/Increase in Accounts Payable	(74,570)	(74,570)
(Increase)/Decrease in Inventories	6,263	6,263
Total Adjustments	(65,726)	(65,726)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (183,372)</u>	<u>\$ (183,372)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		JUNE 30, 2015
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 4,692	\$ 117,389	\$ 7,540	\$ 9,484	\$ 139,105
Total Assets	4,692	117,389	7,540	9,484	139,105
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	7,276	7,276
Due to Student Groups	-	-	7,540	-	7,540
Accounts Payable	-	1,727	-	-	1,727
Interfund Payable	-	-	-	2,208	2,208
Total Liabilities	-	1,727	7,540	9,484	18,751
NET POSITION					
Restricted	4,692	-	-	-	4,692
Unrestricted	-	115,662	-	-	115,662
Total Net Position	\$ 4,692	\$ 115,662	\$ -	\$ -	\$ 120,354

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Other	\$ -	\$ 7,937	\$ 7,937
Total Contributions	-	7,937	7,937
Investment Earnings:			
Interest	1	97	98
Net Investment Earnings	1	97	98
Total Additions	1	8,034	8,035
DEDUCTIONS			
Unemployment Claims	-	9,456	9,456
Scholarships Awarded	51	-	51
Total Deductions	51	9,456	9,507
Change in Net Position	(50)	(1,422)	(1,472)
Net Position - Beginning of the Year	4,742	117,084	121,826
Net Position - End of the Year	\$ 4,692	\$ 115,662	\$ 120,354

The accompanying Notes to Financial Statements are an integral part of this statement.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies**

The financial statements of the Southampton Township Board of Education (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

**Reporting Entity**

The Southampton Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operations of the District include five elementary schools located in Southampton Township. The Southampton Township Board of Education has an approximate enrollment at June 30, 2015 of 726 students.

The primary criterion for including activities within the District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization’s board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District.

**Component Units**

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

**Government-Wide Financial Statements**

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

**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 in 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.

Amounts reported as program revenues include 1) charges 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.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

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 revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. 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 and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. 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.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

**Private Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. 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 referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary

Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

**Cash and Cash Equivalents**

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 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.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

Machinery & Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 Years

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. 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 District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Net Position**

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the District to report as an asset and/or a liability its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System (PERS). The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

Also included as a deferred outflow is the District contributions to the pension system subsequent to the measurement date.

Recently Issued and Adopted Accounting Pronouncements

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued):**

**Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**Deferred Outflows and Deferred 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.

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 a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 18, 2015, which is the date the financial statements were available to be issued.

**Pensions Section**

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this 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.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 2: Cash and Cash Equivalents**

The District is governed by the deposit and investment limitations of New Jersey state law. The cash and cash equivalents held at June 30, 2015, are reported at carrying value as follows:

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	\$ 5,616,605
Total Deposits	<u>\$ 5,616,605</u>
 <b>The District's Cash and Cash Equivalents are Reported as Follows:</b>	
Government Activities	\$ 5,469,362
Business-Type Activities	8,138
Fiduciary Funds	<u>139,105</u>
Total Cash and Cash Equivalents	<u>\$ 5,616,605</u>

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District’s bank balance of \$5,955,019 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and uncollateralized	233,024
Collateralized in the District’s Name Under GUDPA	<u>5,471,995</u>
Total	<u>\$5,955,019</u>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3: Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the Southampton Township Board of Education by inclusion of \$1 on September 25, 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 of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated 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.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP

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

Beginning Balance, July 1, 2014	\$	763,624
Interest Earnings		27
Deposit by Board Resolution, June, 2015		75,000
Budget Withdrawls for Capital Expenditures		(300,000)
		(300,000)
Ending Balance, June 30, 2015	\$	538,651

**B. Maintenance Reserve**

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 20 of the budget year. EFCFA requires that upon District completion of a school facilities project, the District must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, *N.J.A.C.6A:26A*, for further guidance. A separate line is provided in the AUDSUM for this reserve account.

GASBS No. 54 requires the further categorization of the maintenance reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1) as restricted, committed, and/or assigned. The Department recommends reporting the maintenance reserve under "Restricted" fund balance due to the statutory and regulatory restrictions on withdrawals from maintenance reserve. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1)

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3: Reserve Accounts**

**B. Maintenance Reserve (continued):**

Beginning Balance, July 1 2014	\$	18,644
Interest Earnings		-
Ending Balance June 30 , 2015	\$	18,644

**C. Emergency Reserve Account**

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 reasonably 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 board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

GASBS No. 54 requires the further categorization of the emergency reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1). The emergency reserve has significant externally imposed restrictions on its withdrawal and should be categorized as “Restricted” fund balance. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1)

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

Beginning Balance, July 1 2014	\$	1
Interest Earnings		-
Ending Balance June 30 , 2015	\$	1

**D. Tuition Reserve Account**

A tuition reserve account may be established in accordance with *N.J.A.C.6A:23-3.1(f)* for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief. The District's tuition reserve account balance of \$115,000 as of June 30, 2014 was reduced by \$40,000 due to reserve balances no longer required. The District's tuition reserve account balance as of June 30, 2015 was \$75,000.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 4: Accounts Receivable**

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
State Aid	\$ 24,388	\$ -	\$ 765,100	\$ -	\$ -	\$ 789,488
Other	-	7,508	-	2	-	7,510
<b>Total</b>	<b>\$ 24,388</b>	<b>\$ 7,508</b>	<b>\$ 765,100</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 796,998</b>

**Note 5: Capital Assets**

The schedule on the following page is a summarization of the capital assets by source for the fiscal year ended June 30, 2015.

	June 30, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	June 30, <u>2015</u>
<u>Non-Depreciable Assets</u>					
Land	\$ 564,918	\$ -	\$ -	\$ -	\$ 564,918
Construction In Progress	-	447,125	-	-	447,125
<b>Total Non-Depreciable Assets</b>	<b>564,918</b>	<b>447,125</b>	<b>-</b>	<b>-</b>	<b>1,012,043</b>
<u>Depreciable Assets</u>					
Land Improvements	-	-	-	-	-
Buildings & Improvements	22,445,129	12,721	-	-	22,457,850
Machinery	1,235,885	172,150	-	-	1,408,035
Equipment	19,934	-	-	-	19,934
<b>Subtotal</b>	<b>24,265,866</b>	<b>631,996</b>	<b>-</b>	<b>-</b>	<b>24,897,862</b>
Accumulated Depreciation	(7,855,558)	(470,701)	-	-	(8,326,259)
<b>Total</b>	<b>\$ 16,410,308</b>	<b>\$ 161,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,571,603</b>

The following schedule is a summary of the proprietary fund type capital assets at June 30, 2015:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 5: Capital Assets (continued):**

	June 30, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	June 30, <u>2014</u>
<u>Depreciable Assets</u>					
Machinery & Equipment	\$ 172,992	\$ -	\$ -	\$ -	\$ 172,992
Subtotal	172,992	-	-	-	172,992
Accumulated Depreciation	(50,853)	(3,104)	-	-	(53,957)
Total	\$ 122,139	\$ (3,104)	\$ -	\$ -	\$ 119,035

**Note 6: Long-Term Obligations**

**A. Long-Term Obligation Activity**

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term obligations:

	<b>June 30, 2014</b>	<b>Accrued/ Increases</b>	<b>Retired/ Decreases</b>	<b>June 30, 2015</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 2,230,000	\$ 4,521,000	\$ (415,000)	\$ 6,336,000	\$ 706,000
Add: Bond Premium*	80,474	-	(16,368)	64,106	16,368
Net Pension Liability	2,546,947	-	(10,463)	2,557,410	-
Compensated Absences	367,357	1,467	-	368,824	-
Total	\$ 5,224,778	\$ 4,522,467	\$ (441,831)	\$ 9,326,340	\$ 722,368

\*Bond premiums, previously shown separately on the Statement of Net Position, are now part of General Obligation Bonds Payable.

**B. Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on the outstanding bonds are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 706,000	\$ 160,699	\$ 866,699
2017	760,000	121,656	881,656
2018	790,000	101,216	891,216
2019	810,000	83,744	893,744
2020	550,000	64,981	614,981
2021-2025	2,720,000	148,556	2,868,556
Total	\$ 6,336,000	\$ 680,852	\$ 7,016,852

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 6: Long-Term Obligations (continued):**

**C. Bonds Authorized But Not Issued**

As of June 30, 2015, the District had no authorized but not issued bonds.

**D. Capital Leases**

As of June 30, 2015, the District had no capital leases.

**Note 7: Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 6,690	\$ -
Special Revenue Fund	-	5,000
Capital Projects Fund	519	
Debt Service Fund	-	1
Payroll Trust Fund	-	2,208
Cafeteria Fund	-	-
Total	\$ 7,209	\$ 7,209

The purpose of interfunds are short-term borrowings.

**Note 8: Inventory**

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 2,272
Supplies	<u>2,225</u>
Total	<u>\$ 4,497</u>

**Note 9: Pension Plans**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Plans (continued):**

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Plans (continued):**

**A. Public Employees' Retirement System (PERS) (continued)**

**Three-Year Trend Information for PERS**

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 112,606	100%	\$ 2,557,410
6/30/2014	101,877	100%	2,546,947
6/30/2013	105,713	100%	-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$2,557,410 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .01366%, which was a decrease of .01333% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 255,036	\$ 112,606
Deferred Inflows of Resources	\$ 152,408	N/A
Net Pension Liability	\$ 2,557,410	\$ 2,546,947
District's portion of the Plan's total net pension Liability	0.01366%	0.01333%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$141,306. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	80,419	-
Net difference between projected and actual earnings on pension plan investments	-	152,408
Changes in proportion and differences between District contributions and proportionate share of contributions	53,752	-
District contributions subsequent to the measurement date	120,865	-
Total	\$ 255,036	\$ 152,408

\$120,865 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>PERS</u>
2016	\$ (7,244)
2017	(7,244)
2018	(7,244)
2019	(7,244)
2020	(7,244)
Thereafter	17,982

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

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

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

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

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>4.39%</u>		<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>		<u>1%</u> <u>Increase</u> <u>6.39%</u>
District's proportionate share of the net pension liability	\$ 3,217,309	\$	2,557,410	\$	2,003,263

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

**Three-Year Trend Information for TPAF (Paid on behalf of the District)**

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 804,736	100%	\$ -
6/30/2014	661,600	100%	-
6/30/2013	808,357	100%	-

**Teachers Pensions and Annuity Fund (TPAF)** - 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 the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this 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.

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 9: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

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

**C. Defined Contribution Retirement Program (DCRP)**

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

**Note 10: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 100,134 retirees receiving post-retirement medical benefits, and the state contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2015.

**Note 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.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2015**

**Note 11: Risk Management (continued):**

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 trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ 7,937	\$ 97	\$ 9,456	\$ 115,662
2013-2014	12,057	405	8,133	117,084
2012-2013	11,648	662	10,301	112,755

**Note 12: Contingent Liabilities**

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

**Note 13: Joint Insurance Fund**

The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2015 for the joint insurance pool.

**Note 14: Economic Dependency**

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

**Note 15: Deferred Compensation**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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:

Lincoln Investment      Equitable      Valic

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 16: Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the district's school personnel policy. Upon termination, employees are paid for accrued vacation. The district's school's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the district school for the unused sick leave in accordance with district's agreements with various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$368,824.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

**Note 17: Deficit Unrestricted Net Position**

**Restricted Net Position** – The School District had a deficit in restricted net position for Debt Service in the amount of \$(32,566) at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**Unrestricted Net Position** – As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(2,778,573) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**Note 18: Fund Balance Disclosure**

**General Fund** – of the \$1,039,530 General Fund fund balance at June 30, 2015, \$538,651 has been restricted for the Capital Reserve Account; \$1 has been restricted for the Emergency Reserve Account; \$18,644 has been restricted for the Maintenance Reserve Account; \$75,000 has been restricted for the Tuition Reserve Account; \$195,426 is restricted current year excess surplus; \$107,347 has been committed to other purposes; and \$104,461 is unassigned.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 18: Fund Balance Disclosure (continued)**

**Capital Projects Fund** – The fund balance of \$4,854,533 has been restricted for future Capital Projects.

**Debt Service Fund** – of the Debt Service Fund fund balance at June 30, 2015, \$17,102 is reserved in accordance with N.J.S.A 7F-41c(2).

**Note 19: Calculation of Excess Surplus**

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict 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. The excess fund balance at June 30, 2015 is \$195,426.

**Note 20: Prior Period Adjustment/Restatement of Net Position**

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 15,170,698
Prior period adjustment -	
Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(2,546,947)
Deferred Outflows - district contributions made during fiscal year 2015	112,606
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(112,606)</u>
Total prior period adjustment	<u>(2,546,947)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 12,623,751</u></u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 10,456,357	\$ -	\$ 10,456,357	\$ 10,456,357	\$ -
Tuition	10-1300	1,000	-	1,000	3,000	2,000
Interest Earned on Current Expense Maintenance Reserve	10-xxxx	25	-	25	-	(25)
Interest Earned on Capital Reserve Funds	10-1500	900	-	900	-	(900)
Miscellaneous	10-1900	24,525	-	24,525	72,449	47,924
<b>Total Local Sources</b>		<b>10,482,807</b>	<b>-</b>	<b>10,482,807</b>	<b>10,531,806</b>	<b>48,999</b>
<b>State Sources:</b>						
Categorical Special Education Aid	10-3132	455,453	-	455,453	455,453	-
Equalization Aid	10-3176	425,897	-	425,897	425,897	-
Categorical Security Aid	10-3177	71,701	-	71,701	71,701	-
Adjustment Aid	10-3178	793,866	-	793,866	793,866	-
Categorical Transportation Aid	10-3121	366,769	-	366,769	366,769	-
PARCC Readiness Aid	10-3XXX	7,280	-	7,280	7,280	-
Per Pupil Growth Aid	10-3XXX	7,280	-	7,280	7,280	-
Other State Aid	10-3XXX	-	-	-	4,386	4,386
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contributions		-	-	-	311,009	311,009
On-Behalf Post Retirement Medical Contributions		-	-	-	493,727	493,727
Reimbursed TPAF Social Security Contributions		-	-	-	396,053	396,053
<b>Total State Sources</b>		<b>2,128,246</b>	<b>-</b>	<b>2,128,246</b>	<b>3,333,421</b>	<b>1,205,175</b>
<b>Total Revenues</b>		<b>12,611,053</b>	<b>-</b>	<b>12,611,053</b>	<b>13,865,227</b>	<b>1,254,174</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool/Kindergarten	11-110-100-101	324,495	8,000	332,495	327,165	5,330
Grades 1 - 5	11-120-100-101	1,659,736	(32,440)	1,627,296	1,625,102	2,194
Benefits Social Security - Instruction	11-120-100-220	113,729	20,755	134,484	114,145	20,339
Benefits - PERS Employer Contrib - Instruction	11-120-100-241	99,339	(12,500)	86,839	86,812	27
Benefits - Workers Compensation - Instruction	11-120-100-260	46,750	48	46,798	46,798	-
Benefits - Health Benefits - Instruction	11-120-100-270	1,772,241	(160,468)	1,611,773	1,535,749	76,024
Benefits - Tuition Reimbursement	11-120-100-280	20,000	(1,800)	18,200	18,108	92
Benefits - Other Employee Benefits - Instru	11-120-100-290	62,271	17,002	79,273	77,020	2,253
Grades 6 - 8	11-130-100-101	1,106,992	(51,160)	1,055,832	1,053,406	2,426
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	8,850	(1,895)	6,955	6,952	3
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	99,014	5,000	104,014	102,760	1,254
<b>Purchased Professional/Educational Services</b>						
Services	11-190-100-320	71,000	-	71,000	66,857	4,143
General Supplies	11-190-100-610	281,466	(22,481)	258,985	243,110	15,875
Textbooks	11-190-100-640	6,000	-	6,000	5,869	131
Field trip - Nurse Coverage	11-190-100-890	44,500	(500)	44,000	42,937	1,063
<b>Total Regular Programs</b>		<b>5,716,383</b>	<b>(232,439)</b>	<b>5,483,944</b>	<b>5,352,790</b>	<b>131,154</b>
<b>Special Education:</b>						
<b>Learning and/or Language Disabilities:</b>						
LD & LD-L Teacher Substitute	11-204-100-101	208,340	23,660	232,000	231,999	1
LD-L Aide Substitute	11-204-100-106	30,046	(2,000)	28,046	27,762	284
LD & LD-L Supplies School	11-204-100-610	-	6,000	6,000	5,952	48
<b>Total Learning and/or Language Disabilities</b>		<b>238,386</b>	<b>27,660</b>	<b>266,046</b>	<b>265,713</b>	<b>333</b>
<b>Resource Room/ Resource Center:</b>						
Salaries of Teachers	11-213-100-101	883,850	(17,650)	866,200	865,663	537
<b>Total Resource Room</b>		<b>883,850</b>	<b>(17,650)</b>	<b>866,200</b>	<b>865,663</b>	<b>537</b>
<b>Preschool Disabilities - Part-Time:</b>						
Salaries of Teachers	11-215-100-101	85,495	(1,000)	84,495	84,440	55
Other Salaries for Instruction	11-215-100-106	21,825	(900)	20,925	20,569	356
General Supplies	11-215-100-610	2,000	-	2,000	1,996	4
<b>Total Preschool Disabilities - Part-Time</b>		<b>109,320</b>	<b>(1,900)</b>	<b>107,420</b>	<b>107,005</b>	<b>415</b>
<b>Total Special Education</b>		<b>1,231,556</b>	<b>8,110</b>	<b>1,239,666</b>	<b>1,238,381</b>	<b>1,285</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	411,800	44,435	456,235	454,748	1,487
Purchased Professional/Educational Services	11-230-100-320	27,100	(5,000)	22,100	21,448	652
General Supplies	11-230-100-610	4,900	-	4,900	3,166	1,734
<b>Total Basic Skills/Remedial</b>		<b>443,800</b>	<b>39,435</b>	<b>483,235</b>	<b>479,362</b>	<b>3,873</b>
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	36,727	(1,150)	35,577	35,173	404
Purchased Services	11-401-100-500	125	-	125	-	125
Supplies & Materials	11-401-100-610	9,625	(3,500)	6,125	5,427	698
<b>Total School Sponsored Cocurricular Activities</b>		<b>46,477</b>	<b>(4,650)</b>	<b>41,827</b>	<b>40,600</b>	<b>1,227</b>
School Sponsored Athletics:						
Salaries	11-402-100-100	47,527	(1,700)	45,827	45,653	174
Purchased Services	11-402-100-500	6,127	-	6,127	6,101	26
Supplies & Materials	11-402-100-610	6,425	(1,900)	4,525	4,508	17
<b>Total School Sponsored Athletics</b>		<b>60,079</b>	<b>(3,600)</b>	<b>56,479</b>	<b>56,262</b>	<b>217</b>
Other Instruction Programs						
Salaries	11-410-100-101	4,000	(4,000)	-	-	-
PSH Summer Salaries Aides	11-410-100-106	1,000	(500)	500	474	26
PSH Summer Salaries - Aides	11-410-100-320	4,200	1,650	5,850	5,824	26
Summer Education Salaries	11-411-100-101	5,300	(900)	4,400	4,349	51
<b>Total Other Instructional Programs</b>		<b>14,500</b>	<b>(3,750)</b>	<b>10,750</b>	<b>10,647</b>	<b>103</b>
<b>Total - Instruction</b>		<b>7,512,795</b>	<b>(196,894)</b>	<b>7,315,901</b>	<b>7,178,042</b>	<b>137,859</b>
Undistributed Expenditures:						
Instruction:						
Tuition Other LEA's - In State Regular	11-000-100-561	-	31,510	31,510	31,501	9
Tuition Other LEA's - In State Special Education	11-000-100-562	188,834	(20,000)	168,834	168,045	789
Tuition to CSSD & Regional Day Schools	11-000-100-565	223,957	77,000	300,957	299,416	1,541
Tuition to Private Schools for the Handicapped - State	11-000-100-566	189,668	(47,000)	142,668	132,187	10,481
<b>Total Instruction</b>		<b>602,459</b>	<b>41,510</b>	<b>643,969</b>	<b>631,149</b>	<b>12,820</b>
Attendance & Social Work Services:						
Purchased Profess & Technical Services	11-000-211-300	10,000	-	10,000	8,627	1,373
<b>Total Attendance &amp; Social Work Services</b>		<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>8,627</b>	<b>1,373</b>
Health Services:						
Salaries	11-000-213-100	110,550	(4,000)	106,550	103,453	3,097
Purchased Professional & Technical Services	11-000-213-300	6,000	(700)	5,300	4,874	426
Supplies and Materials	11-000-213-610	6,800	(3,500)	3,300	2,968	332
Other Objects	11-000-213-890	400	-	400	-	400
<b>Total Health Services</b>		<b>123,750</b>	<b>(8,200)</b>	<b>115,550</b>	<b>111,295</b>	<b>4,255</b>
Other Support Services - Students - Related Services:						
Salaries	11-000-216-101	120,650	(55,800)	64,850	64,667	183
Purchased Professional & Educational Services	11-000-216-320	215,190	116,250	331,440	305,766	25,674
Supplies & Materials	11-000-216-610	20,534	(10,700)	9,834	9,691	143
<b>Total Other Services - Students - Related Services</b>		<b>356,374</b>	<b>49,750</b>	<b>406,124</b>	<b>380,124</b>	<b>26,000</b>
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-101	129,422	53,325	182,747	178,426	4,321
<b>Total Other Services - Students - Related Services</b>		<b>129,422</b>	<b>53,325</b>	<b>182,747</b>	<b>178,426</b>	<b>4,321</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	144,350	40	144,390	144,390	-
Purchased Professional & Educational Services	11-000-218-320	13,100	-	13,100	10,945	2,155
Other Purchased Professional & Technical Services	11-000-218-390	8,000	295	8,295	6,781	1,514
Supplies & Materials	11-000-218-610	1,900	400	2,300	1,948	352
Other Objects	11-000-218-890	600	-	600	265	335
<b>Total Other Support Services - Students - Regular</b>		<b>167,950</b>	<b>735</b>	<b>168,685</b>	<b>164,329</b>	<b>4,356</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	255,150	10,289	265,439	265,126	313
Salaries of Secretarial & Clerical Assistants	11-000-219-105	34,055	(2,514)	31,541	31,298	243
Purchased Professional & Educational Services	11-000-219-320	2,750	70	2,820	2,820	-
Supplies & Materials	11-000-219-610	11,000	7	11,007	10,385	622
Other Objects	11-000-219-800	1,600	1,230	2,830	2,827	3
<b>Total Other Support Services - Students - Special Services</b>		<b>304,555</b>	<b>9,082</b>	<b>313,637</b>	<b>312,456</b>	<b>1,181</b>
<b>Improvement of Instructional Staff</b>						
Salaries of Supervisors of Instruction	11-000-221-102	42,125	1,000	43,125	43,125	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	26,900	(6,500)	20,400	19,075	1,325
Purchased Professional & Educational Services	11-000-221-320	15,000	-	15,000	15,000	-
Other Purchased Professional & Technical Services	11-000-221-390	21,450	(905)	20,545	20,105	440
<b>Total Instructional Staff Training</b>		<b>105,475</b>	<b>(6,405)</b>	<b>99,070</b>	<b>97,305</b>	<b>1,765</b>
<b>Instructional Staff Training:</b>						
Salaries of Supervisors of Instruction	11-000-223-102	55,125	1,500	56,625	50,098	6,527
Other Objects	11-000-223-800	43,600	3,405	47,005	40,930	6,075
<b>Total Instructional Staff Training</b>		<b>98,725</b>	<b>4,905</b>	<b>103,630</b>	<b>91,028</b>	<b>12,602</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	64,285	-	64,285	63,805	480
Salaries - Aides	11-000-222-106	16,971	500	17,471	15,605	1,866
Purchased Professional & Technical Services	11-000-222-300	3,000	-	3,000	2,380	620
Supplies and Materials	11-000-222-610	37,000	1,486	38,486	25,026	13,460
<b>Total Educational Media Services/School Library</b>		<b>121,256</b>	<b>1,986</b>	<b>123,242</b>	<b>106,816</b>	<b>16,426</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	208,964	8,160	217,124	216,833	291
Benefits - Social Security Contributions	11-000-230-220	4,469	-	4,469	4,469	-
Benefits - PERS Employer Contribution	11-000-230-241	7,011	(700)	6,311	6,309	2
Benefits - Workers Comp	11-000-230-260	850	-	850	850	-
Benefits - Health Benefits	11-000-230-270	17,142	-	17,142	17,142	-
Benefits - Other Empl Benefits	11-000-230-290	3,250	-	3,250	3,215	35
Legal Services	11-000-230-331	20,000	25,586	45,586	36,891	8,695
Audit Fees	11-000-230-332	20,000	(3,700)	16,300	16,300	-
Architectural/Engineering Services	11-000-230-334	12,000	(10,700)	1,300	1,062	238
Communications/Telephone	11-000-230-530	35,500	2,300	37,800	36,198	1,602
Other Purchased Services	11-000-230-590	14,950	1,800	16,750	16,642	108
General Supplies	11-000-230-610	3,500	-	3,500	3,400	100
Miscellaneous Expenditures	11-000-230-890	17,000	18,639	35,639	34,082	1,557
BOE Membership Dues & Fees	11-000-230-895	6,500	(66)	6,434	6,433	1
<b>Total Support Services General Administration</b>		<b>371,136</b>	<b>41,319</b>	<b>412,455</b>	<b>399,826</b>	<b>12,629</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Support Services School Administration:</b>						
<b>Salaries of Principals &amp; Assistant Principals</b>						
Principals	11-000-240-103	349,422	(3,600)	345,822	344,901	921
<b>Salaries of Secretarial &amp; Clerical Assistants</b>						
Assistants	11-000-240-105	89,075	2,000	91,075	89,859	1,216
<b>Benefits - Social Security Contributions</b>						
Benefits - Social Security Contributions	11-000-240-220	6,621	-	6,621	6,621	-
<b>Benefits - PERS Employer Contribution</b>						
Benefits - PERS Employer Contribution	11-000-240-241	10,387	(1,000)	9,387	9,348	39
<b>Benefits - Workers Comp</b>						
Benefits - Workers Comp	11-000-240-260	2,125	-	2,125	2,125	-
<b>Benefits - Health Benefits</b>						
Benefits - Health Benefits	11-000-240-270	86,147	(7,000)	79,147	78,941	206
<b>Purchased Professional Services</b>						
Purchased Professional Services	11-000-240-330	13,000	(13,000)	-	-	-
<b>Other Purchased Services</b>						
Other Purchased Services	11-000-240-580	1,200	-	1,200	241	959
<b>Supplies and Materials</b>						
Supplies and Materials	11-000-240-610	17,000	(6,400)	10,600	5,197	5,403
<b>Other Objects</b>						
Other Objects	11-000-240-800	3,500	200	3,700	3,670	30
<b>Total Support Services School Administration</b>		<b>578,477</b>	<b>(28,800)</b>	<b>549,677</b>	<b>540,903</b>	<b>8,774</b>
<b>Central Services:</b>						
<b>Salaries</b>						
Salaries	11-000-251-100	133,377	-	133,377	133,377	-
<b>Salaries - Staff</b>						
Salaries - Staff	11-000-251-105	93,862	-	93,862	93,862	-
<b>Benefits - Social Security Contributions</b>						
Benefits - Social Security Contributions	11-000-251-220	7,180	-	7,180	7,180	-
<b>Benefits - PERS Employer Contribution</b>						
Benefits - PERS Employer Contribution	11-000-251-241	11,263	(1,100)	10,163	10,137	26
<b>Benefits - Workers Comp</b>						
Benefits - Workers Comp	11-000-251-260	1,275	-	1,275	1,275	-
<b>Benefits - Health Benefits</b>						
Benefits - Health Benefits	11-000-251-270	57,368	-	57,368	57,368	-
<b>Purchased Professional Services</b>						
Purchased Professional Services	11-000-251-330	8,900	-	8,900	8,774	126
<b>Supplies and Materials</b>						
Supplies and Materials	11-000-251-610	7,000	300	7,300	7,266	34
<b>Miscellaneous Expenditures</b>						
Miscellaneous Expenditures	11-000-251-800	2,500	(300)	2,200	2,138	62
<b>Total Central Services</b>		<b>322,725</b>	<b>(1,100)</b>	<b>321,625</b>	<b>321,377</b>	<b>248</b>
<b>Administrative Information Technology:</b>						
<b>Salaries</b>						
Salaries	11-000-252-100	1,047	(1,047)	-	-	-
<b>Software Website</b>						
Software Website	11-000-252-320	12,805	8,200	21,005	4,875	16,130
<b>Purchased Services - Technology</b>						
Purchased Services - Technology	11-000-252-330	80,000	800	80,800	80,781	19
<b>Total Administrative Information Technology</b>		<b>93,852</b>	<b>7,953</b>	<b>101,805</b>	<b>85,656</b>	<b>16,149</b>
<b>Allowable Maintenance for School Facilities:</b>						
<b>Cleaning, Repair &amp; Maintenance Services</b>						
Cleaning, Repair & Maintenance Services	11-000-261-420	78,686	(2,461)	76,225	75,708	517
<b>Supplies</b>						
Supplies	11-000-261-610	9,000	7,913	16,913	16,759	154
<b>Total Allowable Maintenance for School Facilities</b>		<b>87,686</b>	<b>5,452</b>	<b>93,138</b>	<b>92,467</b>	<b>671</b>
<b>Operation &amp; Maintenance of Plant Services:</b>						
<b>Salaries</b>						
Salaries	11-000-262-100	474,025	13,800	487,825	480,494	7,331
<b>Salaries - Aides</b>						
Salaries - Aides	11-000-262-106	-	1,550	1,550	1,542	8
<b>Cleaning, Repair &amp; Maintenance Services</b>						
Cleaning, Repair & Maintenance Services	11-000-262-420	23,100	17,180	40,280	34,161	6,119
<b>Operation &amp; Maintenance of Plant Services (continued):</b>						
<b>Other Purchased Property Services</b>						
Other Purchased Property Services	11-000-262-490	36,000	(1,500)	34,500	34,227	273
<b>Insurance</b>						
Insurance	11-000-262-520	25,500	800	26,300	26,267	33
<b>General Supplies</b>						
General Supplies	11-000-262-610	62,000	48,258	110,258	108,610	1,648
<b>Energy (Electricity)</b>						
Energy (Electricity)	11-000-262-622	167,195	9,031	176,226	176,226	-
<b>Energy (Natural Gas)</b>						
Energy (Natural Gas)	11-000-262-621	80,000	(3,449)	76,551	76,542	9
<b>Other Objects</b>						
Other Objects	11-000-262-800	1,000	-	1,000	555	445
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>868,820</b>	<b>85,670</b>	<b>954,490</b>	<b>938,624</b>	<b>15,866</b>
<b>Student Transportation Services:</b>						
<b>Contracted Services (Between Home &amp; School) - Vendors</b>						
Contracted Services (Between Home & School) - Vendors	11-000-270-511	326,000	(10,000)	316,000	315,400	600
<b>Contracted Services (Other Than Between Home &amp; School) - Vendors</b>						
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	24,228	(5,000)	19,228	19,030	198
<b>Contracted Services (Special Education Students) - Joint Agreement</b>						
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-513	20,029	(2,000)	18,029	17,553	476
<b>Contracted Services - (Jointures Special Education)</b>						
Contracted Services - (Jointures Special Education)	11-000-270-515	196,205	7,500	203,705	203,335	370
<b>Contracted Services - (Aid in Lieu of Payments)</b>						
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	13,260	-	13,260	13,260	-
<b>Other Objects</b>						
Other Objects	11-000-270-890	3,500	-	3,500	3,250	250
<b>Total Student Transportation Services</b>		<b>583,222</b>	<b>(9,500)</b>	<b>573,722</b>	<b>571,828</b>	<b>1,894</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Unallocated Benefits - Employee Benefits:						
Other Retirement Contributions-PERS	11-000-291-241	-	1,176	1,176	-	1,176
Health Benefits	11-000-291-270	-	50	50	50	-
Total Unallocated Benefits - Employee Benefits		-	1,226	1,226	50	1,176
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	311,009	(311,009)
On-Behalf Post Retirement Medical Contributions		-	-	-	493,727	(493,727)
Reimbursed TPAF Social Security Contributions		-	-	-	396,053	(396,053)
Total Undistributed Expenditures		4,925,884	248,908	5,174,792	6,233,075	(1,058,283)
Total Expenditures - Current Expense		12,438,679	52,014	12,490,693	13,411,117	(920,424)
Capital Outlay:						
Equipment:						
Other Purchased Property Services	12-000-260-730	219,400	(21,900)	197,500	172,150	25,350
Total Equipment		219,400	(21,900)	197,500	172,150	25,350
Facilities Acquisition & Construction Services:						
Purchased Professional Services	12-000-400-320	-	9,196	9,196	3,434	5,762
Legal Services	12-000-400-331	5,000	8,000	13,000	9,062	3,938
Architectural/Engineering Services	12-000-400-334	55,000	(55,000)	-	-	-
Construction Services	12-000-400-450	30,000	25,921	55,921	-	55,921
Other Purchased Professional & Tech Services	12-000-400-390	-	225	225	225	-
Other Objects	12-000-400-800	23,805	-	23,805	23,805	-
Total Facilities Acquisition & Construction Services		113,805	(11,658)	102,147	36,526	65,621
Total Capital Outlay		333,205	(33,558)	299,647	208,676	90,971
Total Expenditures		12,771,884	18,456	12,790,340	13,619,793	(829,453)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(160,831)	(18,456)	(179,287)	245,434	424,721
Other Financing Sources/(Uses):						
Capital Reserve:						
Transfer to Capital Projects		-	(302,596)	(302,596)	(300,000)	2,596
Interest from Capital Projects		-	-	-	1	1
Capital Outlay:						
Transfer to Capital Projects		-	(13,079)	(13,079)	(13,079)	-
Total Other Financing Uses		-	(315,675)	(315,675)	(313,078)	2,597
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)		(160,831)	(334,131)	(494,962)	(67,644)	427,318
Fund Balances, July 1		1,261,741	-	1,261,741	1,261,741	-
Fund Balances, June 30		\$ 1,100,910	\$ (334,131)	\$ 766,779	\$ 1,194,097	\$ 427,318

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ 34,131
Approved Withdraw from Capital Reserve to Capital Projects	<u>300,000</u>
Total	<u>\$ 334,131</u>

**RECAPITULATION OF FUND BALANCE:**

Restricted Fund Balance:		
Capital Reserve	\$ 538,651	
Emergency Reserve	1	
Maintenance Reserve	18,644	
Tuition Reserve - Current Year	75,000	
Excess Surplus	195,426	
Committed Fund Balance:		
Year-end Encumbrances	107,347	
Unassigned Fund Balance	<u>259,028</u>	
Subtotal	1,194,097	
Reconciliation to Governmental Funds Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(154,567)</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,039,530</u>	

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 16,527	\$ 16,527	\$ 15,013	\$ (1,514)
Federal Sources	307,611	(1,973)	305,638	305,638	-
<b>Total Revenues</b>	<b>307,611</b>	<b>14,554</b>	<b>322,165</b>	<b>320,651</b>	<b>(1,514)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	80,924	(3,416)	77,508	77,508	-
Tuition	208,075	(97)	207,978	207,978	-
General Supplies	-	16,527	16,527	15,013	1,514
<b>Total Instruction</b>	<b>288,999</b>	<b>13,014</b>	<b>302,013</b>	<b>300,499</b>	<b>1,514</b>
Support Services:					
Personal Services - Employee Benefits	18,612	1,540	20,152	20,152	-
<b>Total Support Services</b>	<b>18,612</b>	<b>1,540</b>	<b>20,152</b>	<b>20,152</b>	<b>-</b>
<b>Total Expenditures</b>	<b>307,611</b>	<b>14,554</b>	<b>322,165</b>	<b>320,651</b>	<b>1,514</b>
<b>Total Outflows</b>	<b>307,611</b>	<b>14,554</b>	<b>322,165</b>	<b>320,651</b>	<b>1,514</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 13,865,227	\$ 320,651
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	159,622	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(154,567)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 13,870,282</u>	<u>\$ 320,651</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 13,619,793</u>	<u>\$ 320,651</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 13,619,793</u>	<u>\$ 320,651</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01366%	0.01333%
District's proportionate share of the net pension liability (asset)	\$ 2,557,410	\$ 2,546,947
District's covered-employee payroll	\$ 960,517	\$ 964,241
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	266.25%	264.14%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 120,865	\$ 112,606
Contributions in relation to the contractually required contribution	<u>120,865</u>	<u>112,606</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 960,517	\$ 964,241
Contributions as a percentage of covered- employee payroll	12.58%	11.68%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT'S**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.09639%	0.09170%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 31,641,997	\$ 29,673,065
District's covered-employee payroll	\$ 5,748,143	\$ 5,691,902
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes of benefit terms.** The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

**Public Employees' Retirement System (PERS)**

**Changes of benefit terms.** The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	<u>NO CHILD LEFT BEHIND</u>		I.D.E.A. PART B BASIC
	TITLE I	TITLE II - PART A	
Revenues:			
Federal Sources	\$ 71,022	\$ 26,638	\$ 195,547
Local Sources	-	-	-
Total Revenues	<u>\$ 71,022</u>	<u>\$ 26,638</u>	<u>\$ 195,547</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 56,367	\$ 21,141	\$ -
Tuition	-	-	195,547
General Supplies	-	-	-
Total Instruction	<u>56,367</u>	<u>21,141</u>	<u>195,547</u>
Support Services:			
Employee Benefits	<u>14,655</u>	<u>5,497</u>	-
Total Support Services	<u>14,655</u>	<u>5,497</u>	-
Total Expenditures	<u>\$ 71,022</u>	<u>\$ 26,638</u>	<u>\$ 195,547</u>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	I.D.E.A.		
	PRESCHOOL PROGRAM	STAR FOUNDATION	TOTALS
Revenues:			
Federal Sources	\$ 12,431	\$ -	\$ 305,638
Local Sources	-	15,013	15,013
	<hr/>		
Total Revenues	\$ 12,431	\$ 15,013	\$ 320,651
<hr/>			
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ 77,508
Tuition	12,431	-	207,978
General Supplies	-	15,013	15,013
	<hr/>		
Total Instruction	12,431	15,013	300,499
<hr/>			
Support Services:			
Employee Benefits	-	-	20,152
	<hr/>		
Total Support Services	-	-	20,152
<hr/>			
Total Expenditures	\$ 12,431	\$ 15,013	\$ 320,651
<hr/>			

F. Capital Projects Fund

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2015
			PRIOR YEARS	CURRENT YEAR	
Completion of Various Improvements & Renovations at School No. 2	6/01/03	\$ 3,529,149	\$ 3,240,421	\$ -	\$ 288,728
Completion of Cafeteria Renovations at School No. 2	10/15/09	86,001	86,001	-	-
Completion of Roof Replacement at School No. 1	1/6/2014	673,517	-	35,845	637,672
Addition of Air Conditioning at School No. 1	1/6/2014	2,030,000	-	305,279	1,724,721
Addition of Air Conditioning at School No. 2	2/24/2014	2,505,000	-	45,625	2,459,375
Addition of Air Conditioning at School No. 3	2/27/2014	3,000,000	-	47,297	2,952,703
Completion of Security Enhancements at School No. 3	2/24/2014	46,588	-	13,079	33,509
Completion of Intruder Doors at School No. 2	2/24/2014	131,763	-	-	131,763
Total		\$ 12,002,018	\$ 3,326,422	\$ 447,125	\$ 8,228,471
			Unexpended Balance		8,228,471
			Unrecognized Capital Reserve		(104,110)
			Unrecognized Capital Outlay		(93,932)
			Unrecognized State Aid		(3,175,896)
			Fund Balance (Exhibit B-2)		\$ 4,854,533

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

Fund Balance - Beginning	\$ 288,728
Revenues:	
State Sources - SDA Grant	178,851
Bond Proceeds & Transfers	4,834,079
	<hr/>
Total Revenues	5,012,930
	<hr/>
Expenditures:	
Legal Services	56,906
Technical Services	265,098
Construction Services	125,121
	<hr/>
Total Expenditures	447,125
	<hr/>
Fund Balance - Ending	\$ 4,854,533
	<hr/> <hr/>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #2 RENOVATIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 1,780,559	\$ -	\$ 1,780,559	\$ 1,780,559
Bond Proceeds & Transfers	2,325,342	-	2,325,342	2,325,342
<b>Total Revenues</b>	<b>4,105,901</b>	<b>-</b>	<b>4,105,901</b>	<b>4,105,901</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Technical Services	573,877	-	573,877	573,877
Land & Improvements	2,599,184	-	2,599,184	2,887,912
Equipment Purchases	67,360	-	67,360	67,360
<b>Total Expenditures</b>	<b>3,240,421</b>	<b>-</b>	<b>3,240,421</b>	<b>3,529,149</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	865,480	-	865,480	576,752
Other Financing Sources/(Uses):				
Cancellation of Prior Year Receivable	(576,752)	-	(576,752)	(576,752)
<b>Total Other Financing Sources/Uses</b>	<b>(576,752)</b>	<b>-</b>	<b>(576,752)</b>	<b>(576,752)</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ 288,728	\$ -	\$ 288,728	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-060-02-1103
Grant Date	October 30, 2002
Grant Award	\$ 1,780,559
Bond Authorization Date	May 15, 2003
Bonds Authorized	\$ 2,629,469
Bonds Issued	\$ 2,629,469
Original Authorized Cost	\$ 4,382,449
Reduced Authorized Cost	\$ (276,548)
Revised Authorized Cost	\$ 4,105,901
Percentage Increase Over Original Authorized Cost	-6.31%
Percentage Completion	79%
Original Target Completion Date	September 1, 2004
Revised Target Completion Date	1-Sep-07

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #2 CAFETERIA RENOVATIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 35,686	\$ -	\$ 35,686	\$ 35,686
Bond Proceeds & Transfers	53,528	-	53,528	53,528
<b>Total Revenues</b>	<b>89,214</b>	<b>-</b>	<b>89,214</b>	<b>89,214</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Technical Services	23,126	-	23,126	23,126
Land & Improvements	62,875	-	62,875	62,875
<b>Total Expenditures</b>	<b>86,001</b>	<b>-</b>	<b>86,001</b>	<b>86,001</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	3,213	-	3,213	3,213
Other Financing Sources/(Uses):				
Cancellation of Prior Year Receivable	(3,213)	-	(3,213)	(3,213)
<b>Total Other Financing Sources/Uses</b>	<b>(3,213)</b>	<b>-</b>	<b>(3,213)</b>	<b>(3,213)</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-060-09-1003
Grant Date	October 15, 2009
Grant Award	\$ 35,686
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 89,214
Additional Authorized Cost	\$ (3,213)
Revised Authorized Cost	\$ 86,001
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	Completed
Original Target Completion Date	October 15, 2010
Revised Target Completion Date	October 15, 2010

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #1 ROOF REPLACEMENT  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 14,338	\$ 14,338	\$ 269,407
Bond Proceeds & Transfers	-	300,000	300,000	404,110
<b>Total Revenues</b>	<b>-</b>	<b>314,338</b>	<b>314,338</b>	<b>673,517</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Construction Services	-	35,845	35,845	673,517
<b>Total Expenditures</b>	<b>-</b>	<b>35,845</b>	<b>35,845</b>	<b>673,517</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	278,493	278,493	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ 278,493	\$ 278,493	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-050-13-1001
Grant Date	January 6, 2014
Grant Award	\$ 269,407
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 673,517
Additional Authorized Cost	n/a
Revised Authorized Cost	\$ 673,517
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	5.32%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	September 30, 2015

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #1 ADDITION OF AIR CONDITIONING  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 122,112	\$ 122,112	\$ 812,000
Bond Proceeds & Transfers	-	1,218,000	1,218,000	1,218,000
<b>Total Revenues</b>	<b>-</b>	<b>1,340,112</b>	<b>1,340,112</b>	<b>2,030,000</b>
Expenditures & Other Financing Uses:				
Legal Services	-	18,962	18,962	18,962
Purchased Professional & Technical Technical Services	-	161,196	161,196	161,196
Construction Services	-	125,121	125,121	1,849,842
<b>Total Expenditures</b>	<b>-</b>	<b>305,279</b>	<b>305,279</b>	<b>2,030,000</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	1,034,833	1,034,833	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ 1,034,833	\$ 1,034,833	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-050-13-1002
Grant Date	January 6, 2014
Grant Award	\$ 812,000
Bond Authorization Date	9/1/14
Bonds Authorized	\$ 1,218,000
Bonds Issued	\$ 1,218,000
Original Authorized Cost	\$ 1,340,112
Additional Authorized Cost	n/a
Revised Authorized Cost	\$ 2,030,000
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	15.04%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	September 30, 2015

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #2 ADDITION OF AIR CONDITIONING  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 18,250	\$ 18,250	\$ 1,002,000
Bond Proceeds & Transfers	-	1,503,000	1,503,000	1,503,000
<b>Total Revenues</b>	<b>-</b>	<b>1,521,250</b>	<b>1,521,250</b>	<b>2,505,000</b>
Expenditures & Other Financing Uses:				
Legal Services	-	18,972	18,972	18,972
Purchased Professional & Technical Technical Services	-	26,653	26,653	26,653
Construction Services	-	-	-	2,459,375
<b>Total Expenditures</b>	<b>-</b>	<b>45,625</b>	<b>45,625</b>	<b>2,505,000</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	1,475,625	1,475,625	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ 1,475,625	\$ 1,475,625	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-060-13-2003
Grant Date	February 24, 2014
Grant Award	\$ 1,002,000
Bond Authorization Date	9/1/14
Bonds Authorized	\$ 1,503,000
Bonds Issued	\$ 1,503,000
Original Authorized Cost	\$ 2,505,000
Additional Authorized Cost	n/a
Revised Authorized Cost	\$ 2,505,000
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	1.82%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	September 30, 2015

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #3 ADDITION OF AIR CONDITIONING  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 18,919	\$ 18,919	\$ 1,200,000
Bond Proceeds & Transfers	-	1,800,000	1,800,000	1,800,000
<b>Total Revenues</b>	<b>-</b>	<b>1,818,919</b>	<b>1,818,919</b>	<b>3,000,000</b>
Expenditures & Other Financing Uses:				
Legal Services	-	18,972	18,972	18,972
Purchased Professional & Technical Technical Services	-	28,325	28,325	28,325
Construction Services	-	-	-	2,952,703
<b>Total Expenditures</b>	<b>-</b>	<b>47,297</b>	<b>47,297</b>	<b>3,000,000</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	1,771,622	1,771,622	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ 1,771,622	\$ 1,771,622	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-070-13-2007
Grant Date	February 27, 2014
Grant Award	\$ 1,200,000
Bond Authorization Date	9/1/14
Bonds Authorized	\$ 1,800,000
Bonds Issued	\$ 1,800,000
Original Authorized Cost	\$ 3,000,000
Additional Authorized Cost	n/a
Revised Authorized Cost	\$ 3,000,000
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	1.58%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	September 30, 2015

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #3 SECURITY ENHANCEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 5,232	\$ 5,232	\$ 18,635
Bond Proceeds & Transfers	-	13,079	13,079	27,953
<b>Total Revenues</b>	<b>-</b>	<b>18,311</b>	<b>18,311</b>	<b>46,588</b>
Expenditures & Other Financing Uses:				
Construction Services	-	13,079	13,079	46,588
<b>Total Expenditures</b>	<b>-</b>	<b>13,079</b>	<b>13,079</b>	<b>46,588</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	5,232	5,232	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ 5,232	\$ 5,232	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-070-13-2006
Grant Date	February 24, 2014
Grant Award	\$ 18,635
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 46,588
Additional Authorized Cost	n/a
Revised Authorized Cost	\$ 46,588
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	28.07%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	September 30, 2015

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SOUTHAMPTON - SCHOOL #2 INTRUDER DOORS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ 52,705
Bond Proceeds & Transfers	-	-	-	79,058
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,763</b>
Expenditures & Other Financing Uses:				
Construction Services	-	-	-	131,763
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,763</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4930-070-13-2005
Grant Date	February 24, 2014
Grant Award	\$ 52,705
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 131,763
Additional Authorized Cost	n/a
Revised Authorized Cost	\$ 131,763
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	0.00%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	September 30, 2015

## G. Proprietary Funds

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	FOOD SERVICE	2015
Current Assets:			
Cash & Cash Equivalents	\$	8,138	\$ 8,138
Inventories		4,497	4,497
		12,635	12,635
Total Current Assets			
Capital Assets:			
Equipment		172,992	172,992
Less: Accumulated Depreciation		(53,957)	(53,957)
		119,035	119,035
Total Capital Assets			
		131,670	131,670
Total Assets			
		131,670	131,670
LIABILITIES			
Unearned Revenue		1,155	1,155
Accounts Payable		10,342	10,342
		11,497	11,497
Total Liabilities			
		11,497	11,497
NET POSITION			
Net Investment in Capital Assets		119,035	119,035
Unrestricted		1,138	1,138
		120,173	120,173
Total Net Position	\$	120,173	\$ 120,173

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	FOOD SERVICE	2015
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 102,921	\$ 102,921
Daily Sales - Nonreimbursable Programs	67,170	67,170
Total Operating Revenue	<u>170,091</u>	<u>170,091</u>
Operating Expenses:		
Salaries	99,889	99,889
Employee Benefits	19,832	19,832
Management Fee	19,500	19,500
Insurance	4,838	4,838
Repairs & Miscellaneous Expenses	13,150	13,150
Supplies and Materials	8,169	8,169
Cost of Sales	119,255	119,255
Depreciation	3,104	3,104
Total Operating Expenses	<u>287,737</u>	<u>287,737</u>
Operating Income/(Loss)	<u>(117,646)</u>	<u>(117,646)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,516	2,516
Federal Sources:		
National School Lunch Program	73,269	73,269
National School Breakfast Program	8,698	8,698
Special Milk Program	279	279
Food Distribution Program	22,527	22,527
Total Nonoperating Revenues/ (Expenses)	<u>107,289</u>	<u>107,289</u>
Net Income/(Loss) Before Other Financing Sources/(Uses)	<u>(10,357)</u>	<u>(10,357)</u>
Other Financing Sources/(Uses)		
Interest Revenue - Board Contribution	8	8
Total Other Financing Sources/(Uses)	<u>8</u>	<u>8</u>
Change in Net Position	(10,349)	(10,349)
Total Net Position - Beginning	<u>130,522</u>	<u>130,522</u>
Total Net Position - Ending	<u>\$ 120,173</u>	<u>\$ 120,173</u>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	FOOD SERVICE	2015
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 169,568	\$ 169,568
Payments to Employees	(99,889)	(99,889)
Payments for Employee Benefits	(19,832)	(19,832)
Payments to Suppliers	(233,219)	(233,219)
	<u>(183,372)</u>	<u>(183,372)</u>
Net Cash Provided/(Used) by Operating Activities		
Cash Flows From Noncapital Financing Activities:		
State Sources	2,892	2,892
Federal Sources	111,280	111,280
	<u>114,172</u>	<u>114,172</u>
Net Cash Provided/(Used) by Noncapital Financing Activities		
Cash Flows From Investing Activities:		
Interest & Dividends	8	8
	<u>8</u>	<u>8</u>
Net Cash Provided/(Used) by Investing Activities		
Net Increase/(Decrease) in Cash & Cash Equivalents	(69,192)	(69,192)
Balances - Beginning of Year	77,330	77,330
	<u>8,138</u>	<u>8,138</u>
Balances - End of Year		

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (117,646)	\$ (117,646)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation & Net Amortization	3,104	3,104
Increase/(Decrease) in Unearned Revenue	(523)	(523)
(Decrease)/Increase in Accounts Payable	(74,570)	(74,570)
(Increase)/Decrease in Inventories	6,263	6,263
	<u>(65,726)</u>	<u>(65,726)</u>
Total Adjustments		
Net Cash Provided/(Used) by Operating Activities	<u>\$ (183,372)</u>	<u>\$ (183,372)</u>

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## H. Fiduciary Fund

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		2015
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 4,692	\$ 117,389	\$ 7,540	\$ 9,484	\$ 139,105
Total Assets	4,692	117,389	7,540	9,484	139,105
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	7,276	7,276
Due to Student Groups	-	-	7,540	-	7,540
Accounts Payable	-	1,727	-	-	1,727
Interfund Payable	-	-	-	2,208	2,208
Total Liabilities	-	1,727	7,540	9,484	18,751
NET POSITION:					
Restricted	4,692	-	-	-	4,692
Held in Trust for Unemployment Claims & Other Purposes	-	115,662	-	-	115,662
Total Net Position	\$ 4,692	\$ 115,662	\$ -	\$ -	\$ 120,354

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		2015
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Other	\$ -	\$ 7,937	\$ 7,937
Total Contributions	-	7,937	7,937
Investment Earnings:			
Interest	1	97	98
Net Investment Earnings	1	97	98
Total Additions	1	8,034	8,035
DEDUCTIONS			
Unemployment Claims	-	9,456	9,456
Miscellaneous	51	-	51
Total Deductions	51	9,456	9,507
Change in Net Position	(50)	(1,422)	(1,472)
Net Position - Beginning of the Year	4,742	117,084	121,826
Net Position - End of the Year	\$ 4,692	\$ 115,662	\$ 120,354

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Kindergarten to Eighth Grades	\$ 8,747	\$ 8,674	\$ 9,881	\$ 7,540
Total All Activity	<u>\$ 8,747</u>	<u>\$ 8,674</u>	<u>\$ 9,881</u>	<u>\$ 7,540</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 7,337	\$ 8,190,126	\$ 8,187,979	\$ 9,484
Total Assets.	<u>\$ 7,337</u>	<u>\$ 8,190,126</u>	<u>\$ 8,187,979</u>	<u>\$ 9,484</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 5,136	\$ 3,588,282	\$ 3,586,142	\$ 7,276
Net Payroll	-	4,601,837	4,601,837	-
Interfund Payable	2,201	7		2,208
Total Liabilities	<u>\$ 7,337</u>	<u>\$ 8,190,126</u>	<u>\$ 8,187,979</u>	<u>\$ 9,484</u>

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## I. Long-Term Debt

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
						JUNE 30, 2014			JUNE 30, 2015
School Refunding Bond, Series 2014	06/01/14	2,625,000	06/01/16	430,000	3.000%	\$ 2,230,000	\$ -	\$ 415,000	\$ 1,815,000
			06/01/17	460,000	3.000%				
			06/01/18	465,000	2.500%				
			06/01/19	460,000	2.000%				
School Bond, Series 2014	09/01/14	4,521,000	09/01/15	276,000	2.125%	-	4,521,000	-	4,521,000
			09/01/16	300,000	2.125%				
			09/01/17	325,000	2.125%				
			09/01/18	350,000	2.125%				
			09/01/19	550,000	2.125%				
			09/01/20	550,000	2.125%				
			09/01/21	550,000	2.125%				
			09/01/22	550,000	2.125%				
	09/01/23	550,000	2.250%						
	09/01/24	520,000	2.250%						
Total						\$ 2,230,000	\$ 4,521,000	\$ 415,000	\$ 6,336,000

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	JUNE 30, 2015			ACTUAL (GAAP BASIS)	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:					
Local Sources:					
Local Tax Levy	\$ 469,250		\$ 469,250	\$469,250	\$ -
Total Revenues	469,250	-	469,250	469,250	-
Expenditures:					
Regular Debt Service:					
Interest	54,250	250	54,500	54,500	-
Redemption of Principal	415,000	-	415,000	415,000	-
Total Expenditures	469,250	250	469,500	469,500	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	(250)	(250)	(250)	-
Fund Balance, July 1	17,352	-	17,352	17,352	-
Fund Balance, June 30	\$ 17,352	\$ (250)	\$ 17,102	\$ 17,102	\$ -

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF COMPENSATED ABSENCES  
JUNE 30, 2015**

	OUTSTANDING BALANCE 2014	ADDITIONS	REDUCTIONS	OUTSTANDING BALANCE 2015
Compensated Absences	\$ 367,357	\$ 1,467	\$ -	\$ 368,824

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**STATISTICAL SECTION (Unaudited)**

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*Unaudited*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>FISCAL YEAR ENDING JUNE 30,</b>										
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 15,099,474	\$ 14,423,126	\$ 14,074,244	\$ 13,708,862	\$ 13,394,708	\$ 13,010,129	\$ 12,796,231	\$ 12,317,284	\$ 11,819,167	\$ 11,491,775
Restricted	795,156	970,688	1,392,967	931,002	614,560	656,688	904,768	555,588	862,915	743,169
Unrestricted	(2,778,573)	(223,116)	(337,142)	(14,959)	60,880	(218,809)	(747,876)	(248,510)	(498,241)	(171,486)
<b>Total Governmental Activities</b>	<b>\$ 13,116,057</b>	<b>\$ 15,170,698</b>	<b>\$ 15,130,069</b>	<b>\$ 14,624,905</b>	<b>\$ 14,070,148</b>	<b>\$ 13,448,008</b>	<b>\$ 12,953,123</b>	<b>\$ 12,624,362</b>	<b>\$ 12,183,841</b>	<b>\$ 12,063,458</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 119,035	\$ 122,139	\$ 27,078	\$ 29,078	\$ 14,062	\$ 27,078	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,138	9,383	109,573	98,913	107,823	104,826	104,759	95,887	83,648	71,265
<b>Total Business-Type Activities</b>	<b>\$ 120,173</b>	<b>\$ 131,522</b>	<b>\$ 136,651</b>	<b>\$ 127,991</b>	<b>\$ 121,885</b>	<b>\$ 131,904</b>	<b>\$ 104,759</b>	<b>\$ 95,887</b>	<b>\$ 83,648</b>	<b>\$ 71,265</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 15,218,509	\$ 14,545,265	\$ 14,101,322	\$ 13,737,940	\$ 13,408,770	\$ 13,037,207	\$ 12,796,231	\$ 12,317,284	\$ 11,819,167	\$ 11,491,775
Restricted	795,156	970,688	1,392,967	931,002	614,560	656,688	904,768	555,588	862,915	743,169
Unrestricted	(2,777,435)	(214,733)	(227,569)	83,954	168,703	(113,983)	(643,117)	(152,623)	(414,593)	(100,221)
<b>Total District Net Position</b>	<b>\$ 13,236,230</b>	<b>\$ 15,301,220</b>	<b>\$ 15,266,720</b>	<b>\$ 14,752,896</b>	<b>\$ 14,192,033</b>	<b>\$ 13,579,912</b>	<b>\$ 13,057,882</b>	<b>\$ 12,720,249</b>	<b>\$ 12,267,489</b>	<b>\$ 12,134,723</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS  
Unaudited**

	FISCAL YEAR ENDING JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ (5,653,289)	\$ (3,877,885)	\$ (3,864,214)	\$ (3,931,818)	\$ (3,913,895)	\$ (3,853,066)	\$ (3,788,117)	\$ (3,779,713)	\$ (3,642,605)	\$ (3,664,019)
Special Education	(1,238,381)	(1,312,127)	(1,272,287)	(1,258,510)	(1,153,052)	(1,380,195)	(1,360,493)	(1,222,760)	(1,154,406)	(1,029,111)
Other Special Education	(576,224)	(556,098)	(507,334)	(492,174)	(417,383)	(426,364)	(401,385)	(396,121)	(356,705)	(338,715)
Other Instruction	(10,647)	(7,965)	(10,364)	(9,258)	-	(19,007)	(4,200)	(18,575)	(17,117)	(13,902)
Support Services & Undistributed Costs:										
Instruction	(631,149)	(552,655)	(393,415)	(359,975)	(379,775)	(323,524)	(279,680)	(275,281)	(335,898)	(206,927)
Related Services	(380,124)	(321,808)	(293,904)	(270,435)	(239,514)	(247,321)	(238,735)	(209,553)	(227,412)	(237,674)
Health Services	(111,295)	(117,688)	(114,965)	(112,028)	(113,586)	(184,355)	(174,448)	(165,706)	(158,377)	(148,995)
Student & Instruction Related Services	(852,171)	(839,002)	(787,567)	(770,505)	(728,361)	(704,898)	(606,263)	(580,473)	(574,417)	(456,855)
Educational Media Services/School Library	(106,816)	(104,203)	(98,590)	(98,306)	(91,800)	(92,252)	(93,368)	(84,979)	(105,496)	(98,009)
School Administrative Services	(626,559)	(522,149)	(494,484)	(466,596)	(467,553)	(451,196)	(472,898)	(460,380)	(512,603)	(475,742)
Central Services	(321,377)	(238,955)	(235,230)	(237,517)	(226,022)	(246,750)	(221,872)	(215,551)	(201,800)	(194,808)
Other Administrative Services	(399,826)	(394,698)	(345,307)	(341,504)	(323,661)	(376,483)	(358,732)	(319,375)	(328,547)	(324,997)
Plant Operations & Maintenance	(1,031,091)	(1,242,042)	(991,561)	(857,184)	(917,225)	(855,623)	(964,501)	(924,582)	(896,595)	(870,169)
Pupil Transportation	(571,828)	(528,380)	(494,134)	(495,948)	(486,321)	(561,349)	(810,575)	(849,789)	(815,385)	(776,932)
Business and Other Support Services	-	(752)	(4,613)	(18,015)	(1,590)	(93,324)	(13,359)	(13,346)	(13,989)	(1,228)
Unallocated Benefits	(2,641,319)	(3,343,829)	(3,333,099)	(2,925,218)	(2,778,083)	(2,651,428)	(2,500,493)	(2,830,475)	(2,691,432)	(2,318,992)
Interest on Long-Term Debt	(114,093)	(141,803)	(149,824)	(178,514)	(218,838)	(231,073)	(261,051)	(290,309)	(319,097)	(347,705)
Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	5,043
Increase in Compensated Absences - Unallocated	(1,467)	34,738	60,411	5,231	(22,777)	4,523	(23,817)	3,138	48,700	(407)
Unallocated Depreciation	(470,701)	(464,041)	(514,061)	(600,000)	(619,543)	(591,826)	(583,742)	(489,194)	(482,798)	(461,251)
Total Governmental Activities Expenses	(15,738,357)	(14,531,342)	(13,844,542)	(13,418,274)	(13,098,979)	(13,265,511)	(13,157,729)	(13,123,004)	(12,785,979)	(11,961,395)
Business-Type Activities:										
Food Service	(287,737)	(270,434)	(270,154)	(283,376)	(281,916)	(266,916)	(264,458)	(263,935)	(265,549)	(257,172)
Summer Recreation	-	-	-	-	(11,022)	(10,690)	(10,671)	(10,839)	(9,494)	(9,120)
Total Business-Type Activities Expense	(287,737)	(270,434)	(270,154)	(283,376)	(292,938)	(277,606)	(275,129)	(274,774)	(275,043)	(266,292)
Total District Expenses	\$ (16,026,094)	\$ (14,801,776)	\$ (14,114,696)	\$ (13,701,650)	\$ (13,391,917)	\$ (13,543,117)	\$ (13,432,858)	\$ (13,397,778)	\$ (13,061,022)	\$ (12,227,687)
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 2,913,068	\$ 373,563	\$ 386,319	\$ 376,193	\$ 400,421	\$ 545,022	\$ 476,520	\$ 489,942	\$ 403,182	\$ 444,151
Total Governmental Activities Program Revenues	2,913,068	373,563	386,319	376,193	400,421	545,022	476,520	489,942	403,182	444,151

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS  
Unaudited**

	FISCAL YEAR ENDING JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	170,091	160,612	174,639	181,133	191,308	198,094	205,575	210,214	207,783	201,780
Summer Recreation	-	-	-	-	10,150	10,520	12,005	10,455	9,488	8,750
Operating Grants & Contributions	107,289	104,534	103,694	108,349	91,621	84,291	65,856	62,715	54,746	57,940
<b>Total Business Type Activities Program Revenues</b>	<b>277,380</b>	<b>265,146</b>	<b>278,333</b>	<b>278,333</b>	<b>289,482</b>	<b>293,079</b>	<b>292,905</b>	<b>283,436</b>	<b>283,384</b>	<b>272,017</b>
<b>Total District Program Revenues</b>	<b>\$ 3,190,448</b>	<b>\$ 638,709</b>	<b>\$ 664,652</b>	<b>\$ 654,526</b>	<b>\$ 689,903</b>	<b>\$ 838,101</b>	<b>\$ 769,425</b>	<b>\$ 773,378</b>	<b>\$ 686,566</b>	<b>\$ 716,168</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (12,825,289)	\$ (14,157,779)	\$ (13,458,223)	\$ (13,042,081)	\$ (12,698,558)	\$ (12,720,489)	\$ (12,681,209)	\$ (12,633,062)	\$ (12,382,797)	\$ (11,517,244)
Business-Type Activities	(10,357)	(5,288)	8,179	(5,043)	(3,456)	15,473	17,776	8,662	8,341	5,725
<b>Total Government-Wide Net Expense</b>	<b>\$ (12,835,646)</b>	<b>\$ (14,163,067)</b>	<b>\$ (13,450,044)</b>	<b>\$ (13,047,124)</b>	<b>\$ (12,702,014)</b>	<b>\$ (12,705,016)</b>	<b>\$ (12,663,433)</b>	<b>\$ (12,624,400)</b>	<b>\$ (12,374,456)</b>	<b>\$ (11,511,519)</b>
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,456,357	\$ 10,133,516	\$ 9,727,818	\$ 9,537,076	\$ 9,557,076	\$ 9,189,002	\$ 8,871,637	\$ 8,559,266	\$ 8,086,179	\$ 7,877,000
Taxes Levied for Debt Service	469,250	820,943	844,689	854,731	864,122	861,498	854,565	859,611	838,422	876,770
Unrestricted Grants & Contributions	2,301,525	3,204,263	3,340,948	3,138,373	2,757,995	3,088,269	3,192,716	3,520,833	3,369,845	2,960,517
Investment Earnings	1	7	14	24	24	24	1,546	26,290	45,692	41,786
Reduction of SCC Grant	-	-	-	-	-	-	-	-	-	(1,117,240)
Miscellaneous Income	90,462	58,115	49,918	66,634	84,399	76,581	89,506	108,482	175,666	163,896
Transfers	-	1,207	-	-	-	-	-	(899)	(12,624)	(40,000)
Cancellation of Prior Year Accounts Receivable	-	(30,583)	-	-	-	-	-	-	-	-
Cancellation of Current Year Accounts Payable	-	10,940	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>13,317,595</b>	<b>14,198,408</b>	<b>13,963,387</b>	<b>13,596,838</b>	<b>13,263,616</b>	<b>13,215,374</b>	<b>13,009,970</b>	<b>13,073,583</b>	<b>12,503,180</b>	<b>10,762,729</b>
<b>Business-Type Activities:</b>										
Investment Earnings	8	366	481	-	885	801	565	2,730	2,785	2,993
Transfers	-	(1,207)	-	-	-	-	-	899	12,624	40,000
<b>Total Business-Type Activities</b>	<b>8</b>	<b>(841)</b>	<b>481</b>	<b>-</b>	<b>885</b>	<b>801</b>	<b>565</b>	<b>3,629</b>	<b>15,409</b>	<b>42,993</b>
<b>Total Government-Wide</b>	<b>\$ 13,317,603</b>	<b>\$ 14,197,567</b>	<b>\$ 13,963,868</b>	<b>\$ 13,596,838</b>	<b>\$ 13,264,501</b>	<b>\$ 13,216,175</b>	<b>\$ 13,010,535</b>	<b>\$ 13,077,212</b>	<b>\$ 12,518,589</b>	<b>\$ 10,805,722</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 492,306	\$ 40,629	\$ 505,164	\$ 554,757	\$ 565,058	\$ 494,885	\$ 328,761	\$ 440,521	\$ 120,383	\$ (754,515)
Business-Type Activities	(10,349)	(6,129)	8,660	(5,043)	(2,571)	16,274	18,341	12,291	23,750	48,718
<b>Total District</b>	<b>\$ 481,957</b>	<b>\$ 34,500</b>	<b>\$ 513,824</b>	<b>\$ 549,714</b>	<b>\$ 562,487</b>	<b>\$ 511,159</b>	<b>\$ 347,102</b>	<b>\$ 452,812</b>	<b>\$ 144,133</b>	<b>\$ (705,797)</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund:</b>										
Restricted	\$ 827,722	\$ 957,878	\$ 778,676	\$ 1,302,469	\$ 1,009,751	\$ 868,551	\$ 1,014,082	\$ 574,388	\$ 805,588	\$ 646,688
Committed	107,347	34,131	173,025	-	-	-	-	-	-	-
Assigned	-	61,986	4,757	-	-	-	-	-	-	-
Unassigned	104,461	48,124	513,839	94,822	158,478	45,596	(370,197)	201,963	30,583	413,212
<b>Total General Fund</b>	<b>\$ 1,039,530</b>	<b>\$ 1,102,119</b>	<b>\$ 1,470,297</b>	<b>\$ 1,397,291</b>	<b>\$ 1,168,229</b>	<b>\$ 914,147</b>	<b>\$ 643,885</b>	<b>\$ 776,351</b>	<b>\$ 836,171</b>	<b>\$ 1,059,900</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,737	\$ -	\$ 122,263
Restricted:										
Special Revenue Fund	-	-	-	-	-	-	-	(948)	(948)	(948)
Capital Projects Fund	4,854,533	288,728	264,362	264,362	264,362	261,149	261,149	94,356	1,309,648	1,209,256
Debt Service Fund	17,102	17,352	-	-	-	-	-	763	7,549	45,363
<b>Total All Other Governmental Funds</b>	<b>\$ 4,871,635</b>	<b>\$ 306,080</b>	<b>\$ 264,362</b>	<b>\$ 264,362</b>	<b>\$ 264,362</b>	<b>\$ 261,149</b>	<b>\$ 261,149</b>	<b>\$ 908,908</b>	<b>\$ 1,316,249</b>	<b>\$ 1,375,934</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Tax Levy	\$ 10,925,607	\$ 10,954,459	\$ 10,572,507	\$ 10,391,807	\$ 10,421,198	\$ 10,050,500	\$ 9,726,202	\$ 9,418,877	\$ 8,924,601	\$ 8,753,770
Tuition Charges	3,000	-	1,000	2,000	1,000	2,000	26,333	2,000	1,600	1,300
Interest Earnings	1	1,404	3,611	7,997	1,958	1,539	2,223	32,357	53,129	41,786
Miscellaneous	87,462	56,718	45,321	56,661	81,465	73,066	62,496	100,415	166,629	162,596
State Sources	3,517,327	3,269,463	3,407,887	3,125,417	2,842,984	3,163,567	3,387,793	3,736,313	3,488,599	3,110,335
Federal Sources	305,638	308,363	319,380	389,149	315,432	469,724	281,443	274,462	284,428	294,333
<b>Total Revenue</b>	<b>14,839,035</b>	<b>14,590,407</b>	<b>14,349,706</b>	<b>13,973,031</b>	<b>13,664,037</b>	<b>13,760,396</b>	<b>13,486,490</b>	<b>13,564,424</b>	<b>12,918,986</b>	<b>12,364,120</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	5,653,289	3,877,885	3,864,214	3,931,818	3,913,895	3,853,066	3,788,117	3,779,713	3,642,605	3,664,019
Special Education Instruction	1,238,381	1,312,127	1,272,287	1,258,510	1,153,052	1,380,195	1,360,493	1,222,760	1,154,406	1,029,111
Other Special Instruction	576,224	556,098	507,334	492,174	417,383	426,364	401,385	396,121	356,705	338,711
Other Instruction	10,647	7,965	10,364	9,258	-	19,007	4,200	18,575	17,117	13,902
<b>Support Services:</b>										
Instruction	631,149	552,655	393,415	359,975	379,775	323,524	279,680	275,281	335,898	206,927
Attendance and Health Services	119,922	142,881	129,098	119,378	120,936	184,605	174,698	165,736	172,815	149,245
Student & Instruction Related Services	1,330,484	1,239,820	1,165,928	1,131,896	1,052,325	1,044,221	938,116	874,955	892,887	792,288
School Administrative Services	399,826	394,698	345,307	341,504	323,661	376,483	358,732	319,375	328,547	324,997
General & Business Administration Services	626,559	522,149	494,484	466,596	467,553	451,196	472,898	460,380	512,603	475,742
Plant Operations & Maintenance	1,031,091	1,242,042	991,561	857,184	917,225	855,623	964,501	924,582	896,595	870,169
Pupil Transportation	571,828	528,380	494,134	495,948	486,321	561,349	810,575	849,789	815,385	776,932
Other Support Services	-	752	4,613	18,015	1,590	93,324	13,359	13,346	13,989	1,228
Central Services	321,377	238,955	235,230	237,517	226,022	246,750	221,872	215,551	201,800	194,808
Employee Benefits	20,202	2,260,086	2,089,348	1,938,134	1,941,321	1,766,055	1,662,816	1,685,797	1,591,036	1,607,807
Nonbudget Expenditures	1,200,789	1,083,743	1,243,751	987,084	836,762	865,373	837,677	1,144,678	1,100,396	711,185
Capital Outlay	655,801	83,272	134,882	185,403	300,253	105,724	1,045,633	737,866	247,061	263,675
<b>Debt Service:</b>										
Principal	415,000	770,000	760,000	740,000	720,000	700,000	665,000	650,000	635,000	630,000
Interest & Other Charges	54,500	129,724	140,750	173,575	205,750	237,275	266,963	296,181	324,931	353,325
<b>Total Expenditures</b>	<b>14,857,069</b>	<b>14,943,232</b>	<b>14,276,700</b>	<b>13,743,969</b>	<b>13,463,824</b>	<b>13,490,134</b>	<b>14,266,715</b>	<b>14,030,686</b>	<b>13,239,776</b>	<b>12,404,275</b>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(18,034)	(352,825)	73,006	229,062	200,213	270,262	(780,225)	(466,262)	(320,790)	(40,155)
Other Financing Sources/(Uses):										
Cancellation of Prior Year A/R	-	(30,583)	-	-	-	-	-	-	-	-
Cancellation of Current Year A/P	-	10,940	-	-	-	-	-	-	-	-
Reduction in SCC Grant	-	-	-	-	-	-	-	-	-	(1,117,240)
Increase in Capital Reserve	-	-	-	-	-	-	50,000	-	-	(125,000)
Transfers in	313,080	1,214	14	24	-	-	191,546	-	-	-
Transfers Out	(313,080)	(7)	(14)	(24)	-	-	(191,546)	(899)	(12,624)	(40,000)
Bond Proceeds	4,521,000	2,712,294	-	-	-	-	-	-	-	-
Deposit to Refunding Escrow	-	(2,667,493)	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	4,521,000	26,365	-	-	-	-	-	(899)	37,376	(1,282,240)
Net Change in Fund Balances	\$ 4,502,966	\$ (326,460)	\$ 73,006	\$ 229,062	\$ 200,213	\$ 270,262	\$ (780,225)	\$ (467,161)	\$ (283,414)	\$ (1,322,395)
Debt Service as a Percentage of Noncapital Expenditures	3.31%	6.05%	6.37%	6.74%	7.03%	7.00%	7.05%	7.12%	7.39%	8.10%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**

**LAST TEN FISCAL YEARS**

*(Modified Accrual Basis of Accounting)*

*Unaudited*

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	MISCELLANEOUS	TOTAL
2015	\$ -	\$ 3,000	\$ 72,449	\$ 75,449
2014	1,397		42,850	44,247
2013	16,713	1,000	21,327	39,040
2012	34,530	2,000	18,191	54,721
2011	26,511	1,000	89,323	116,834
2010	32,469	2,000	27,124	61,593
2009	27,162	26,333	17,569	71,064
2008	70,862	2,000	19,898	92,760
2007	132,166	1,600	25,183	158,949
2006	102,813	1,300	18,996	123,109

Source: District records

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REVENUE CAPACITY INFORMATION

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL INDUSTRIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$14,303,000	\$834,646,800	\$50,823,800	\$6,814,200	\$79,209,300	\$995,408,600	\$2,243,724	\$997,652,324	1.825	1,088,600,936
2014	15,320,300	834,643,300	50,398,400	6,727,500	79,316,700	996,017,700	2,187,873	998,205,573	1.789	1,081,686,129
2013	15,867,500	833,580,300	53,635,900	6,801,400	81,491,700	1,000,988,300	2,653,045	1,003,641,345	1.736	1,108,681,108
2012	17,056,300	837,588,300	53,165,700	6,761,800	80,928,600	1,005,220,700	3,367,457	1,008,588,157	1.722	1,183,587,307
2011	11,861,800	645,005,000	39,767,400	6,926,200	50,416,900	760,780,900	2,077,816	762,858,716	2.296	1,265,858,403
2010	11,496,900	647,353,100	40,310,300	6,907,100	52,341,300	764,854,300	2,178,094	767,032,394	2.304	1,353,006,015
2009	11,627,600	646,829,500	40,967,900	7,017,700	50,939,100	763,827,400	2,109,840	765,937,240	2.233	1,382,787,323
2008	12,746,200	640,443,000	41,126,500	6,080,900	50,742,900	757,585,100	2,014,606	759,599,706	2.219	1,329,719,973
2007	15,006,300	627,973,000	41,478,800	6,085,400	48,950,300	746,254,400	2,087,130	748,341,530	2.198	1,246,249,833
2006	20,693,200	601,442,700	40,096,600	6,079,800	47,576,600	723,094,700	2,204,732	725,299,432	2.221	1,097,095,666

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. Tax rates are per \$100

Total Direct School Tax Rate is a combined total of Southampton Township Board of Education and Lenape Regional High School District as detailed in Exhibit J-7

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**LAST TEN FISCAL YEARS**  
*(Rate per \$100 of Assessed Value)*  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	OVERLAPPING RATES							TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL			TOWNSHIP OF SOUTHAMPTON	TOWNSHIP OPEN SPACE	BURLINGTON COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE			
2015	1.128	0.697		1.825	0.373	0.02	0.369	0.035	0.043			2.665
2014	1.096	0.693		1.789	0.349	0.020	0.363	0.034	0.016			2.571
2013	1.070	0.666		1.736	0.330	0.020	0.369	0.034	0.017			2.506
2012	1.050	0.672		1.722	0.311	0.020	0.364	0.036	0.047			2.500
2011	1.364	0.932		2.296	0.406	0.020	0.513	0.049	0.067			3.351
2010	1.342	0.962		2.304	0.371	0.020	0.548	0.052	0.071			3.366
2009	1.297	0.936		2.233	0.365	0.020	0.560	0.054	0.072			3.304
2008	1.267	0.952		2.219	0.350	0.020	0.559	0.052	0.070			3.270
2007	1.236	0.962		2.198	0.316	0.020	0.583	0.055	0.067			3.239
2006	1.221	1.000		2.221	0.281	0.020	0.557	0.050	0.060			3.189

Source: Municipal Tax Collector

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
*Unaudited***

TAXPAYER	2015			TAXPAYER	2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Mobile Estates of Southampton	\$9,951,300	1	1.00%	Mobile Estates of Southampton	\$4,863,600	1	0.67%
Singh Real Estate Ent. Inc.	5,611,200	2	0.56%	Singh Real Estate Ent. Inc.	4,547,900	2	0.63%
ARA 1869, LLC	3,764,900	3	0.38%	Diamond M. Lumber	3,975,300	3	0.55%
Diamond M. Lumber	3,688,100	4	0.37%	D R Horton	3,388,700	4	0.47%
Wawa, Inc.	2,948,600	5	0.30%	Verizon - NJ	2,204,732	5	0.30%
Lion Self Storage	2,296,200	6	0.23%	RCC Properties, Inc	1,390,700	6	0.19%
Verizon - NJ	2,243,724	7	0.22%	SKG Partners, LLC	1,314,800	7	0.18%
RCC Properties, Inc	1,975,300	8	0.20%	Taxpayer #1	1,073,400	8	0.15%
Taxpayer #1	1,955,800	9	0.20%	SKG Partners, LLC	1,061,600	9	0.15%
Southampton Industrial Park, LLC	1,760,000	10	0.18%	Vincentown Enterprises LLC	922,000	10	0.13%
Total	<u>\$ 36,195,124</u>		<u>3.63%</u>		<u>\$ 24,742,732</u>		<u>3.41%</u>

**Source:** Municipal Tax Assessor

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2015	\$25,704,402	25,182,435	97.97%	521,967
2014	25,166,915	24,702,473	98.15%	464,442
2013	25,243,041	24,687,919	97.80%	555,122
2012	25,628,056	25,155,714	98.16%	472,342
2011	25,851,279	25,297,238	97.86%	554,041
2010	25,373,366	24,813,294	97.79%	560,072
2009	24,993,965	24,554,597	98.24%	439,368
2008	24,585,081	24,120,245	98.11%	464,836
2007	23,176,446	22,630,674	97.65%	545,772
2006	21,717,658	21,362,310	98.36%	355,348

Source: Municipal Audit Reports

DEBT CAPACITY INFORMATION

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**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
*Unaudited***

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL <u>ACTIVITIES</u> GENERAL OBLIGATION BONDS	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2015	\$6,336,000	N/A	N/A
2014	2,230,000	N/A	N/A
2013	3,005,000	N/A	289
2012	3,765,000	0.71%	360
2011	4,305,000	0.83%	411
2010	5,225,000	1.04%	499
2009	5,925,000	1.15%	545
2008	6,590,000	1.26%	606
2007	7,240,000	1.43%	665
2006	7,875,000	1.61%	719

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

**a** See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using perso:

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
*Unaudited***

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	\$6,336,000		6,336,000	N/A	N/A
2014	2,230,000	-	2,230,000	0.22%	N/A
2013	3,005,000	-	3,005,000	0.39%	214.77
2012	3,765,000	-	3,765,000	0.49%	359.81
2011	4,505,000	-	4,505,000	0.59%	430.52
2010	5,225,000	-	5,225,000	0.68%	480.90
2009	5,925,000	-	5,925,000	0.78%	546.39
2008	6,590,000	-	6,590,000	0.87%	634.39
2007	7,240,000	-	7,240,000	0.97%	656.51
2006	7,875,000	-	7,875,000	1.09%	722.87

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015  
*Unaudited***

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Southampton Township	\$ 11,485,974	100.000%	\$ 11,485,974
Lenape Regional School District	66,450,000	6.440%	4,279,380
Local School District	6,336,000	100.000%	6,336,000
Burlington County	303,356,410	2.600%	7,887,267
Subtotal, Overlapping Debt			<u>29,988,621</u>
Total Direct & Overlapping Debt			<u><u>\$ 29,988,621</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)  
Unaudited**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 33,739,545	\$ 33,776,228	\$ 35,671,727	\$ 38,024,517	\$ 39,485,844	\$ 39,289,758	\$ 36,730,655	\$ 34,318,132	\$ 31,094,120	\$ 28,161,454
Total Net Debt Applicable to Limit	6,336,000	2,230,000	3,005,000	3,765,000	4,505,000	5,225,000	5,925,000	6,590,000	7,240,000	7,875,000
Legal Debt Margin	\$ 27,403,545	\$ 31,546,228	\$ 32,666,727	\$ 34,259,517	\$ 34,980,844	\$ 34,064,758	\$ 30,805,655	\$ 27,728,132	\$ 23,854,120	\$ 20,286,454
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.78%	6.60%	8.42%	9.90%	11.41%	13.30%	16.13%	19.20%	23.28%	27.96%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Equalized Valuation Basis	
2014	1,081,686,129
2013	1,108,681,108
2012	1,183,587,307
	<u>\$ 3,373,954,544</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,124,651,515</u>
Debt Limit (3 % of Average Equalization Value)	\$ 33,739,545
Net Bonded School Debt	6,336,000
Legal Debt Margin	<u>\$ 27,403,545</u>

**Source:** Equalized valuation bases were obtained from the Burlington County Board of Taxation.  
Abstract of Ratables

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DEMOGRAPHIC AND ECONOMIC STATISTICS

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

YEAR	POPULATION (a)	PERSONAL INCOME(b)	BURLINGTON COUNTY PER CAPITA		UNEMPLOYMENT RATE (d)
			PERSONAL INCOME (c)		
2015	N/A	N/A	N/A		N/A
2014	N/A	N/A	N/A		N/A
2013	10,391	N/A	N/A		6.40%
2012	10,453	533,928,787	51,079		11.90%
2011	10,484	520,278,984	49,626		11.50%
2010	10,474	501,170,426	47,849		11.50%
2009	10,865	516,978,430	47,582		11.10%
2008	10,867	521,452,995	47,985		6.50%
2007	10,890	506,439,450	46,505		4.80%
2006	10,953	489,785,301	44,717		5.30%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Column (a) x Column (c)

<sup>c</sup> Per Capita Bureau of Economic Analysis: Regional Economic Information System

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
*Unaudited***

	2015			2006		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Southampton Board of Education	122	1	76.25%	125	1	78.13%
Southampton Township	38	2	23.75%	35	2	21.88%
	<u>160</u>		<u>100.00%</u>	<u>160</u>		<u>100.00%</u>

**Source:** Township and Board of Education Officials

## OPERATING INFORMATION

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**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEAR**

*Unaudited*

FUNCTION/PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	55	55	55	55	52	54	57	56	56	57
Special Education	23	23	23	23	25	25	25	31	28	27
Other Special Education	3	3	3	3	3	3	3	3	3	2
Support Services:										
Student & Instruction Related Services	19	16	16	16	13	13	15	13	13	11
School Administrative Services	8	7	7	7	7	7	7	7	7	8
General & Business Administrative Services	5	5	5	5	5	5	5	5	5	5
Plant Operations & Maintenance	9	9	9	9	9	9	9	10	10	10
Food Service										
<b>Total</b>	<b>122</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>114</b>	<b>116</b>	<b>121</b>	<b>125</b>	<b>122</b>

Source: District Personnel Records

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	728	\$ 13,731,768	18,862	0.0063%	78	9.33	710.8	701.0	-0.1374%	96.29%
2014	725	13,960,236	19,255	0.0065%	78	9.29	723.2	714.3	-0.1342%	98.52%
2013	767	13,241,068	17,263	0.0067%	78	9.83	739.0	729.5	-0.1290%	95.11%
2012	790	12,644,991	16,006	0.0067%	78	10.13	783.9	751.9	-0.1310%	95.18%
2011	792	12,241,557	15,457	0.0065%	80	9.90	793.8	757.7	-0.1304%	95.67%
2010	805	12,447,135	15,462	0.0065%	83	9.70	797.7	762.4	-0.1308%	94.71%
2009	797	12,289,119	15,419	0.0065%	83	9.60	797.1	763.4	-0.1294%	95.78%
2008	802	12,346,639	15,395	0.0069%	83	9.66	802.7	768.1	-0.1361%	95.77%
2007	804	12,032,784	14,966	0.0079%	78	10.31	804.8	751.3	-0.1264%	93.45%
2006	811	11,157,075	13,757	0.0095%	78	10.40	811.2	771.1	-3.0013%	95.08%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

a. Operating expenditures equal total expenditures less debt service and capital outlay.

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).

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR  
*Unaudited***

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Elementary Schools:</b>										
School #1 (1921, 1922, 1952, 1959)										
Square Feet	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109
Capacity (Students)	223	223	223	223	223	223	223	223	223	223
Enrollment	241	239	241	238	249	238	246	241	244	249
School #2 (1962, 1969)										
Square Feet	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674
Capacity (Students)	279	279	279	279	279	279	279	279	279	279
Enrollment (a)	232	231	232	237	251	275	258	284	274	279
<b>Middle School:</b>										
School # 3 (1994)										
Square Feet	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280
Capacity (Students)	417	417	417	417	417	417	417	417	417	417
Enrollment	255	255	255	292	292	281	276	271	281	286
<b>Total District Enrollment:</b>	728	725	728	767	792	794	780	796	799	814
<b>Other Buildings:</b>										
Administration Building (1910)										
Square Feet	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394
Storage Building - Garage (1930)										
Square Feet	900	900	900	900	900	900	900	900	900	900
Storage Building - Barn (1930)										
Square Feet	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520
Storage Building - Stable (1930)										
Square Feet	396	396	396	396	396	396	396	396	396	396
Storage Building - Bus Garage (1938)										
Square Feet	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516

Number of Schools at June 30, 2013:

- Elementary = 2
- Middle School = 1
- Senior High School = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.  
Enrollment is based on the annual October district count.  
Capacity is from five year Long Range Facility Plan October 2005

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-xxx

*	SCHOOL #1	SCHOOL#2	SCHOOL #3	DISTRICT TOTAL
2015	\$ 24,231	\$ 37,211	\$ 31,025	\$ 92,467
2014	167,949	79,742	130,423	378,114
2013	35,660	73,485	82,599	191,744
2012	18,917	15,275	19,175	53,367
2011	23,958	42,511	34,859	101,328
2010	13,508	14,136	13,191	40,835
2009	26,022	27,686	28,761	82,469
2008	16,479	30,977	41,330	88,786
2007	25,312	33,751	27,042	86,105
2006	25,662	23,895	27,785	77,342

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2015**  
*Unaudited*

	COVERAGE	DEDUCTIBLE
<b>Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):</b>		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	\$250,000	500
General Liability / Auto Liability	250,000	
Educators Legal Liability	175,000	
Workers Compensation	250,000	
Crime	250,000	500
<b>School Pool For Excess Liability Limits</b>		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	150,000,000	500
Crime	500,000	500
Workers Compensation	Statutory	
Employers Liability	15,000,000	
General Liability / Auto Liability	15,000,000	
Educators' Legal Liability	15,000,000	
<b>Travelers Insurance Company</b>		
Boiler and Machinery	125,000,000	1,000
<b>AIG Environmental</b>		
Pollution Liability	3,000,000	25,000
<b>Beazley Insurance Company, Inc.</b>		
Cyber Liability	1,000,000	25,000
<b>Western Surety:</b>		
Surety - Treasurer of Monies	215,000	
Surety - Board Secretary	120,000	

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**SINGLE AUDIT SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

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EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members  
of the Board of Education  
Southampton Township Board of Education  
County of Burlington  
Southampton, New Jersey 08088

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Southampton Township Board of Education, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Southampton Township Board of Education's basic financial statements, and have issued our report thereon dated December 18, 2015

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Southampton Township Board of Education'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 Southampton Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Southampton Township Board of Education'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 Southampton Township Board of Education'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 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

December 18, 2015  
Medford, New Jersey



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR  
A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members  
of the Board of Education  
Southampton Township Board of Education  
County of Burlington,  
Southampton, New Jersey 08088

**Report on Compliance for Each Major State Program**

We have audited Southampton Township Board of Education’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state program for the year ended June 30, 2015. Southampton Township Board of Education’s major state program are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Southampton Township Board of Education’s major 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; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and/or 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 state program occurred. An audit includes examining, on a test basis, evidence about Southampton Township Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Southampton Township Board of Education's compliance.

### **Opinion on Each Major State Program**

In our opinion, Southampton Township Board of Education 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 state programs for the year ended June 30, 2015.

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

Management of Southampton Township Board of Education 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 Southampton Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 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 Southampton Township Board of Education'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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Public School Accountant  
Certified Public Accountant No. 1011

Medford, New Jersey  
December 18, 2015

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	MEMO	
								BUDGETARY RECEIVABLES	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>									
Equalization Aid	15-495-034-5120-078	\$ 425,897	7/1/14-6/30/15	\$ -	\$ 425,897	\$ -	\$ -	\$ 30,931	\$ 425,897
Categorical Special Education Aid	15-495-034-5120-083	\$ 455,453	7/1/14-6/30/15	-	455,453	-	-	33,078	455,453
Adjustment Aid	15-495-034-5120-085	\$ 793,866	7/1/14-6/30/15	-	793,866	-	-	57,656	793,866
Categorical Security Aid	15-495-034-5120-084	\$ 71,701	7/1/14-6/30/15	-	71,701	-	-	5,207	71,701
Categorical Transportation Aid	15-495-034-5120-014	\$ 366,769	7/1/14-6/30/15	-	366,769	-	-	26,637	366,769
PARCC Readiness Aid	15-495-034-5120-098	\$ 7,280	7/1/14-6/30/15	-	7,280	-	-	529	7,280
Per Pupil Growth Aid	15-495-034-5120-097	\$ 7,280	7/1/14-6/30/15	-	7,280	-	-	529	7,280
Non Public Transportation Costs	14-495-034-5120-014	\$ 4,386	7/1/13-6/30/14	(2,535)	2,535	-	-	-	-
Non Public Transportation Costs	15-495-034-5120-014	\$ 4,386	7/1/14-6/30/15	-	-	(4,386)	(4,386)	-	4,386
On-Behalf TPAF Pension Contributions	15-495-034-5095-001	\$ 311,009	7/1/14-6/30/15	-	311,009	-	-	-	311,009
On-Behalf TPAF Post-Retirement	15-495-034-5095-001	\$ 493,727	7/1/14-6/30/15	-	493,727	-	-	-	493,727
Reimbursed TPAF Social Security	14-495-034-5095-002	\$ 422,643	7/1/13-6/30/14	(21,222)	21,222	-	-	-	-
Reimbursed TPAF Social Security	15-495-034-5095-002	\$ 396,053	7/1/14-6/30/15	-	376,051	(20,002)	(20,002)	-	396,053
<b>Total General Fund Assistance</b>				(23,757)	3,332,790	(3,333,421)	(24,388)	154,567	3,333,421
<b>Capital Projects Fund:</b>									
SDA Grant	11-4930-060-09-1003	\$ 35,686	Indefinite	(35,686)	-	-	(35,686)	-	-
SDA Grant	11-4930-070-09-1004	\$ 23,580	Indefinite	(23,580)	-	-	(23,580)	-	-
SDA Grant	04-4930-070-02-1104	\$ 120,169	Indefinite	(54,219)	-	-	(54,219)	-	-
SDA Grant	04-4930-050-02-1102	\$ 982,165	Indefinite	(210,716)	-	-	(210,716)	-	-
SDA Grant	04-4930-060-02-1103	\$ 1,208,912	Indefinite	(262,048)	-	-	(262,048)	-	-
SDA Grant	04-4930-050-13-1001	\$ 269,407	Indefinite	-	(14,338)	-	(14,338)	-	14,338
SDA Grant	04-4930-050-13-1002	\$ 812,000	Indefinite	-	(122,112)	-	(122,112)	-	122,112
SDA Grant	04-4930-060-13-2003	\$ 1,002,000	Indefinite	-	(18,250)	-	(18,250)	-	18,250
SDA Grant	04-4930-070-13-2007	\$ 1,200,000	Indefinite	-	(18,919)	-	(18,919)	-	18,919
SDA Grant	04-4930-070-13-2006	\$ 18,635	Indefinite	-	(5,232)	-	(5,232)	-	5,232
<b>Total Capital Projects Fund</b>				(586,249)	-	(178,851)	(765,100)	-	178,851
<b>Enterprise Fund:</b>									
National School Lunch Program	14-100-010-3360-067	\$ 2,925	7/1/13-6/30/14	(376)	376	-	-	-	-
National School Lunch Program	15-100-010-3360-067	\$ 2,516	7/1/14-6/30/15	-	2,516	(2,516)	-	-	2,516
<b>Total Enterprise Fund</b>				(376)	2,892	(2,516)	-	-	2,516
<b>Total State Assistance</b>				<u>\$ (610,382)</u>	<u>\$ 3,335,682</u>	<u>\$ (3,514,788)</u>	<u>\$ (789,488)</u>	<u>\$ 154,567</u>	<u>\$ 3,514,788</u>
	On-Behalf TPAF Pension Contributions	\$			\$	311,009			
	On-Behalf TPAF Post-Retirement					<u>493,727</u>			
	Total State Financial Assistance Reported on Single Audit Summary	\$			\$	<u>(2,710,052)</u>			

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2015**

**1. General**

The accompanying schedules of expenditures of state financial assistance include state award activity of the Southampton Township Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

**3. Relationship to Basic Financial Statements**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or 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 audit 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 with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,055 for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2015**

**3. Relationship to Basic Financial Statements (continued):**

	<b>State</b>
General Fund	\$ 3,338,476
Capital Projects Fund	178,851
Debt Service Fund	-
Food Service Fund	<u>2,516</u>
Total Financial Assistance	<u>\$3,519,843</u>

**4. Relationship to Federal & State Financial Reports**

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

**5. Other**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**6. Federal and State Loans Outstanding**

The Southampton Township Board of Education had no loan balances outstanding at June 30, 2015.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 and/or 15-08?	None Reported

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-083	Categorical Special Education Aid
15-495-034-5120-034	Adjustment Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-014	Categorical Transportation Aid
15-495-034-5095-002	Reimbursed TPAF Social Security

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):  
For the Fiscal Year Ended June 30, 2015**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04 and/or 15-08.

No Current Year Findings

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

**Finding 2014-01:**

**Condition:**

The School District is not adequately maintaining an accounting of their capital assets, including additions, deletions, and depreciation of assets.

**Current Status:**

This condition has been corrected.