

SOUTHERN REGIONAL SCHOOL DISTRICT

Manahawkin, New Jersey
County of Ocean

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SOUTHERN REGIONAL SCHOOL DISTRICT

MANAHAWKIN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Southern Regional School District
Finance Department**

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INTRODUCTORY SECTION

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SOUTHERN REGIONAL HIGH SCHOOL DISTRICT OF OCEAN COUNTY

December 14, 2015

Mr. Stuart Snyder, President
Members of the Board of Education
Southern Regional High School District
Manahawkin, New Jersey 08050

Dear Board Members:

The comprehensive annual financial report of the Southern Regional 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 the management of the Southern Regional 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 auditors' 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 State and Local Governments", and the state Treasury Circular Letter(s) 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditors' 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:** Southern Regional High 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 Southern Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7-12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2014/2015 fiscal year with an enrollment of 2,923 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014/2015	2,922.8	-2.48%
2013/2014	2,997.0	.63%
2012/2013	2,978.2	.21%
2011/2012	2,972.0	-.01%
2010/2011	2,993.6	.01%
2009/2010	2,991.0	-.66%
2008/2009	3,011.2	-.85%
2007/2008	3,037.2	-6.49%
2006/2007	3,248.0	-6.94%
2005/2006	3,490.3	-5.10%

(2) ECONOMIC CONDITION AND OUTLOOK: Residential development in Stafford Township is in its last stages; new housing starts are on the decline each year. Residential development in the Island communities has been on the decline in each municipality except Surf City. The area has been impacted by the recent economic downturn as evidenced by the increase in free and reduced lunch applicants and families in need. The area has also been impacted by Super Storm Sandy and the resulting coastal flooding. The effects of the storm will have an impact on the district’s tax ratable base, especially within Stafford Township, in the short-term which would impact the overall tax rate experienced by residents to support the regional school district. Our communities continue to recover from the contraction of the housing market that began in 2008 with a slight overall increase in the number of properties currently in the foreclosure process.

3) MAJOR INITIATIVES: The Southern Regional School District has long been recognized as an incredibly comprehensive, innovative and challenging school system, which prides itself in its multitude of programs, progressive initiatives and boundless energy. Driven by an extremely qualified and competent faculty, Southern Regional is determined to be a leadership force in education.

Southern Regional offers over 200 courses from which students can select. The courses are designed to appeal to a wide variety of student interests. Advanced placement courses are offered in English, History, Mathematics, Science, Art, Music and World Languages. Technology-related courses, from the traditional to the highly technical, focus on problem solving, experimental design, and creativity. The Health and Physical Education program are electives, based with a strong emphasis on lifelong wellness and making intelligent lifestyle choices. Project Adventure, an outdoor education program, is also offered. The special needs of our students are addressed as well. We offer self-contained, autistic, resource, adaptive success and in-class support programs. Mainsail (alternative) and ESL (English as a Second Language) programs are offered for eligible students. In addition to the academic programs, Southern Regional offers students over 70 co-curricular and interscholastic programs. Through the Guidance and Student Assistance Programs, Southern Regional provides opportunities and support systems, which counsel and assist students in making choices that will direct them to a more productive and successful experience. Southern Regional High School is a school “Committed to Excellence” in our faculty, staff, students and community. To this end, the District hopes to construct a learning environment in which its students are encouraged to serve, challenged to grow and empowered to succeed.

4) INTERNAL ACCOUNTING CONTROLS: District 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 recognizes that:

(1) The cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance the District 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. The 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 the 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 projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated 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 Statements”, 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, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 52,476,326	86.4%	\$ 1,555,082	62.7%
State Sources	7,316,222	12.1%	918,866	37.0%
Federal Sources	907,128	1.5%	6,472	0.3%
Total	<u>\$ 60,699,676</u>		<u>\$ 2,480,420</u>	

The following schedule presents a summary of general fund, special revenue fund, capital projects 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 amount.

<u>Expense</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 26,358,544	45.7%	\$ (1,555,854)	204.6%
Undistributed	27,509,308	47.6%	858,070	-112.9%
Capital Outlay	1,271,217	2.2%	26,282	-3.5%
Special Revenue Fund	888,045	1.5%	(799)	0.1%
Debt Service:				
Principal	1,625,000	2.8%	(55,000)	7.2%
Interest	93,375	0.2%	(33,050)	4.3%
Total	<u>\$ 57,745,489</u>		<u>\$ (760,351)</u>	

8) **DEBT ADMINISTRATION:** At June 30, 2015, the District’s outstanding debt was \$3,085,000 in general obligations bonds.

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

10) **RISK MANAGEMENT:** The Board carried various forms of insurance including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) **OTHER INFORMATION:**

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB Circular(s) 04-04 and/or 15-08 and general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors’ reports related specifically to the single audit are included in the single audit section of this report.

B) **Awards** – The Southern Regional School District continues to be judged as the lighthouse district in the area by leading the way on many fronts. Southern’s SAT scores are amongst the top in Ocean County. For eleven of the past twelve years a Southern graduate has received a prestigious military academy appointment. In several of these eleven years, multiple military appointments have been awarded to Southern graduates. Southern graduates continue to populate the most prestigious colleges and universities in the country. Southern teachers are distinguished professionals who have received awards too numerous to mention. Southern’s music program is considered one of the finest in the area. The Autism program draws students from throughout the region. The Marching Band has accomplished State championship status multiple times during the last several years. The middle school’s Literacy and Lunch program has become a model for middle schools throughout the area.

12) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Southern Regional School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business staff.

Respectfully Submitted,

Craig Henry

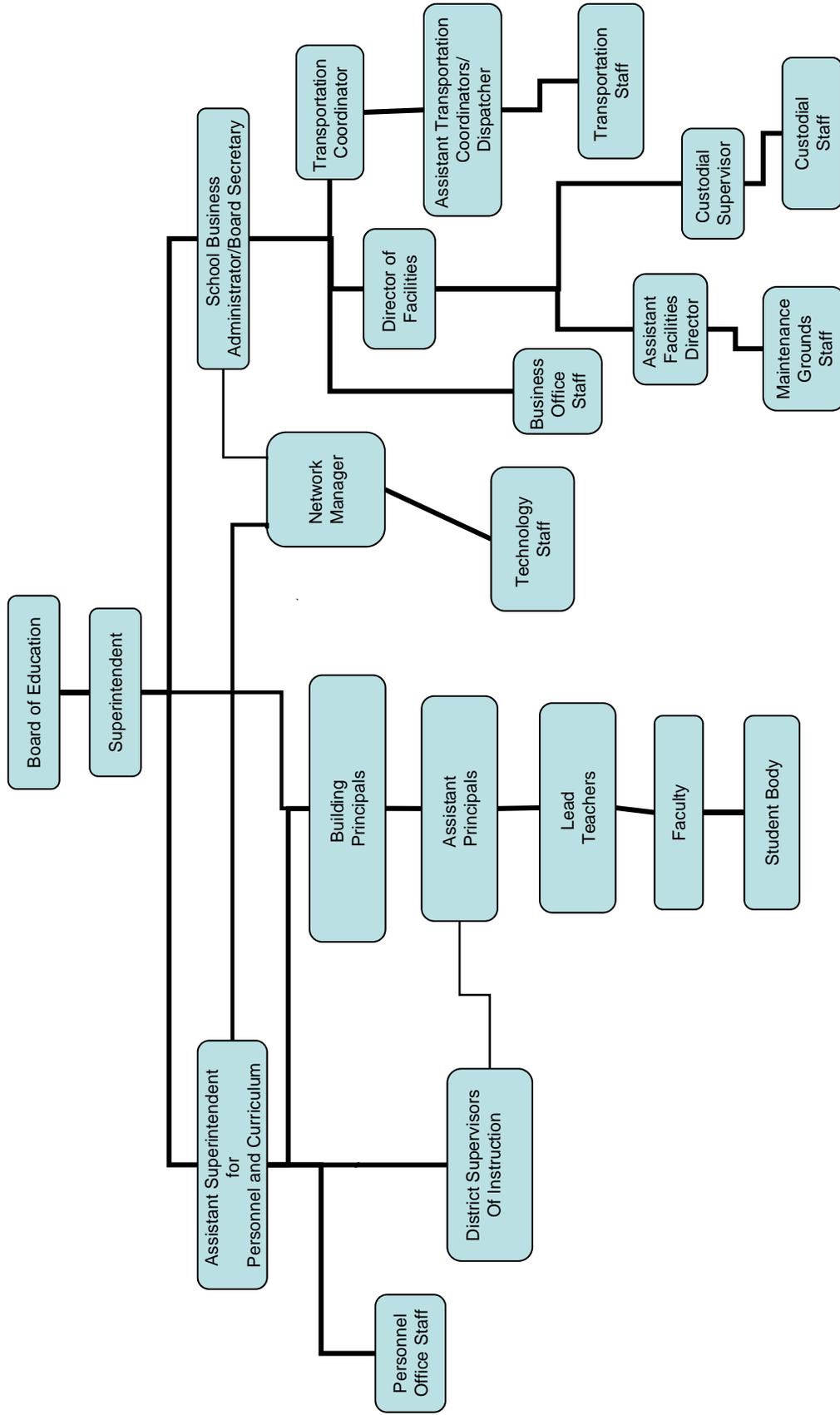
Mr. Craig Henry
Superintendent

Steven Terhune

Mr. Steven Terhune
School Business Administrator/
Board Secretary

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Southern Regional School District Organization Chart



SOUTHERN REGIONAL SCHOOL DISTRICT
Manahawkin, New Jersey 08050

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Stuart D. Snyder, Esq., President	2017
Steven Berkheiser, Vice President	2015
Dr. Ben LoParo	2015
Kevin Lyons	2016
Donald Myers	2016
Thomas W. Serpico	2017
Heather Tatur	2017
Christopher Taylor	2015
Marilyn Wasilewski	2016
Keith Weidenhof	2015

OTHER OFFICIALS

Craig Henry, Superintendent

Daniel MacPhee, Assistant Superintendent

Steven Terhune, Business Administrator/Board Secretary

Kevin O’Shea, Treasurer of School Monies

Laura Benson, Esquire, Solicitor

SOUTHERN REGIONAL SCHOOL DISTRICT
Manahawkin, New Jersey 08050

CONSULTANTS AND ADVISORS

ARCHITECTS

Garrison Architects
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Marlton, New Jersey 08053

ATTORNEYS

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Toms River, NJ 08754

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Roseland, New Jersey 07068

Apruzzese, McDermott, Mastro & Murphy, P.C.
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AUDIT FIRM

Michael Holt, CPA, PSA
Holman Frenia Allison, P. C.
680 Hooper Avenue, Building B, Suite 201
Toms River, New Jersey 08753

OFFICIAL DEPOSITORIES

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

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FINANCIAL SECTION

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ALLISON, P.C.
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www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Southern Regional School District
County of Ocean
Manahawkin, New Jersey 08050

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 Southern Regional School District, County of Ocean, 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 Southern Regional School District, County of Ocean, 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 required supplementary 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 Southern Regional School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and 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 Schedules of Expenditures of Federal Awards and 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 Schedules of Expenditures of Federal Awards and 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 14, 2015 on our consideration of the Southern Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Southern Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
December 14, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

UNAUDITED

The discussion and analysis of the Southern Regional School District's financial performance provides an overall review of the school district's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the school district's financial performance.

As described in Note 19 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 \$18,367,510, as indicated in Note 19 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.

Financial Highlights

Key financial highlights for 2015 are as follows:

 Local revenues accounted for \$52,476,326 of all revenues. State and Federal sources accounted for \$8,223,350 or just 14% of all revenues. Of the general revenues, tuition received from sending districts totaled \$7,195,290 of general revenues, or 12% of total revenues.

 Among governmental funds, the General Fund had \$57,912,475 in revenues, \$54,626,127 in expenditures and \$413,550 in other financing uses.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Southern Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregated 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 funds, these fund financial statements also look at the school district's most significant funds with all other non-major funds presented in total in one column. In the case of the Southern Regional School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

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

Governmental Activities: All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activity: This service is provided on a charge for goods and services basis to recover all the expenses of the goods and services provided. The Food Service and Community Education enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type accounts; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

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 a 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.

The District's combined net position was \$14,641,283 on June 30, 2015.

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 58% of revenues for governmental activities for the Southern Regional School District for fiscal year 2015.

Federal, state, and local grants, along with tuition and transportation revenues, accounted for another \$20,626,236. The district's total revenues were \$75,839,633 for the fiscal year ended June 30, 2015.

The total cost of all programs and services was \$73,144,348. Direct instruction comprises 37% of District expenses.

Business-Type Activities

Revenues for the District's business-type activities (i.e., Food Service and Community Education programs) were comprised of charges for services and federal and state reimbursements.

 Proprietary Fund expenses exceeded revenues by \$7,197. Charges for services represent 64% of revenue. This represents amounts paid by patrons for daily food service and community education programs.

 Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities was \$329,979.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

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

Pupils and instructional 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 include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of facilities involves keeping the school grounds, buildings and equipment in 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.

Interest on debt involves the transactions associated with the payment of interest and other charges related to debt of the School District.

“Other” includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$60,699,676 and expenditures were \$57,745,489.

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 schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenue Source</u>	<u>2015 Revenue</u>	<u>2014 Revenue</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Local Tax Levy	\$ 44,239,793	\$ 42,297,115	\$ 1,942,678	4.6%
Tuition Charges	7,195,290	7,557,267	(361,977)	-4.8%
Transportation Fees	971,960	938,127	33,833	3.6%
Miscellaneous	69,283	128,735	(59,452)	-46.2%
Total Local Aid	52,476,326	50,921,244	1,555,082	3.1%
State Sources	7,316,222	6,397,356	918,866	14.4%
Federal Sources	907,128	900,656	6,472	0.7%
Other Financing Sources	-	1,275,928	(1,275,928)	-100.0%
Total	<u>\$ 60,699,676</u>	<u>\$ 59,495,184</u>	<u>\$ 1,204,492</u>	<u>2.0%</u>

Local revenues increased by \$1,555,082. The increase in local revenue was mainly due to an increase in local tax levy for the year ended June 30, 2015.

The following schedule represents a summary of governmental fund expenditures for the fiscal year ended June 30, 2015, and the amount and percentage of increase (decrease) in relation to prior year expenditures.

<u>Expense</u>	<u>2015 Expenses</u>	<u>2014 Expenses</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
General Fund:				
Instruction	\$ 26,358,544	\$ 27,914,398	\$ (1,555,854)	-5.6%
Undistributed	27,509,308	26,651,238	858,070	3.2%
Capital Outlay	758,275	811,458	(53,183)	-6.6%
Special Revenue Fund	888,045	888,844	(799)	-0.1%
Capital Projects Fund	512,942	433,477	79,465	18.3%
Debt Service	1,718,375	1,806,425	(88,050)	-4.9%
Total	<u>\$ 57,745,489</u>	<u>\$ 58,505,840</u>	<u>\$ (760,351)</u>	<u>-1.3%</u>

The School District's Funds (continued)

The decrease in Instruction Expenditures is largely due to a change in the allocation of benefits between Instruction Expenditures and Support Services Expenditures. The increase in Capital Projects is attributable to the district's middle school window replacement.

General Fund Budgeting Highlights

The school district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District made changes to the initial approved budget. Significant transfers were required to increase funding in certain areas, as District needs fluctuated from original budgeted projections.

Capital Assets

A summary of changes in Governmental and Proprietary Fund Fixed Assets can be found in Note 5 of the Notes to the Financial Statements.

Debt Administration

At June 30, 2015 the School District had \$3,085,000 of outstanding debt in serial bonds for school construction. See Note 7 to the Financial Statements for a schedule of maturities for bonded debt.

For the Future

The Southern Regional School District is in good financial condition presently. The School District is proud of its community support of the public schools. The Southern Regional School District 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. If you have any questions about this report or need additional information, contact Steven Terhune, School Business Administrator/Board Secretary at Southern Regional School District, 105 Cedar Bridge Road, Manahawkin, NJ 08050. Please visit our website at www.srsd.net

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL JUNE 30, 2015
Cash & Cash Equivalents	\$ 1,993,878	\$ 46,973	\$ 2,040,851
Receivables, Net	1,130,376	61,771	1,192,147
Inventory	-	14,766	14,766
Restricted Cash & Cash Equivalents	11,867,887	-	11,867,887
Capital Assets, Net (Note 5)	27,670,710	27,920	27,698,630
Total Assets	42,662,851	151,430	42,814,281
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	2,123,425	-	2,123,425
Deferred Charges of Refunding of Debt	47,439	-	47,439
Total Deferred Outflow of Resources	2,170,864	-	2,170,864
Total Assets and Deferred Outflow of Resources	44,833,715	151,430	44,985,145
LIABILITIES			
Accounts Payable	44,578	-	44,578
Accrued Interest Payable	31,283	-	31,283
Unearned Revenue	22,464	-	22,464
Accrued Liability for Insurance Claims	1,191,054	-	1,191,054
PERS Pension Payable	858,952	-	858,952
Long-Term Obligations (Note 7):			
Due Within One Year	1,862,767	-	1,862,767
Due Beyond One Year	25,213,866	-	25,213,866
Total Liabilities	29,224,964	-	29,224,964
DEFERRED OUTFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	1,118,898	-	1,118,898
Total Deferred Inflow of Resources	1,118,898	-	1,118,898
Total Liabilities and Deferred Outflow of Resources	30,343,862	-	30,343,862
NET POSITION			
Net Investment in Capital Assets	23,371,388	27,920	23,399,308
Restricted For:			
Capital Projects	121,775	-	121,775
Debt Service	(31,269)	-	(31,269)
Other Purposes	9,278,889	-	9,278,889
Unrestricted	(18,250,930)	123,510	(18,127,420)
Total Net Position	\$ 14,489,853	\$ 151,430	\$ 14,641,283

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2015	
Governmental Activities							
Current:							
Regular Instruction	\$ 18,489,286	\$ -	818,469	(17,670,817)	-	\$ (17,670,817)	
Special Education Instruction	7,049,052	-	-	(7,049,052)	-	(7,049,052)	
Basic Skills/Remedial Instruction	133,320	-	-	(133,320)	-	(133,320)	
Other Instruction	1,505,355	-	-	(1,505,355)	-	(1,505,355)	
Support Services & Undistributed Costs:							
Tuition Charges	318,069	-	-	(318,069)	-	(318,069)	
Student & Instruction Related Services	5,808,533	-	-	(5,808,533)	-	(5,808,533)	
School Administrative Services	2,080,591	-	69,576	(2,011,015)	-	(2,011,015)	
General Administrative Services	916,905	-	-	(916,905)	-	(916,905)	
Plant Operations & Maintenance	5,545,534	-	-	(5,545,534)	-	(5,545,534)	
Central Services	686,429	-	-	(686,429)	-	(686,429)	
Other Administrative Services	434,643	-	-	(434,643)	-	(434,643)	
Pupil Transportation	4,113,937	-	-	(4,113,937)	-	(4,113,937)	
Unallocated Benefits	23,862,884	10,062,740	9,675,451	(4,124,693)	-	(4,124,693)	
Unallocated Other Deletions & Retirements of Capital Assets	560,105	-	-	(560,105)	-	(560,105)	
Unallocated Depreciation	1,562,443	-	-	(1,562,443)	-	(1,562,443)	
Interest and Charges on Long-Term Debt	77,262	-	-	(77,262)	-	(77,262)	
Total Governmental Activities:	73,144,348	10,062,740	10,563,496	(52,518,112)	-	(52,518,112)	

**SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Business-Type Activities:						
Food Service/Community Ed	1,050,833	671,189	329,979	-	(49,665)	(49,665)
Total Business-Type Activities	1,050,833	671,189	329,979	-	(49,665)	(49,665)
Total Primary Government	\$ 74,195,181	\$ 10,733,929	\$ 10,893,475	(52,518,112)	(49,665)	(52,567,777)

General Revenues:

Taxes:						
Property Taxes, Levied for General Purposes, Net				42,545,911	-	42,545,911
Taxes Levied for Debt Service				1,693,882	-	1,693,882
Federal & State Aid Not Restricted				2,736,972	-	2,736,972
Tuition Received				7,195,290	-	7,195,290
Transportation Fees				971,960	-	971,960
Investment Earnings				3,567	244	3,811
Guaranteed Profit				-	42,224	42,224
Miscellaneous Income				65,815	-	65,815
Total General Revenues				55,213,397	42,468	55,255,865
Change In Net Position				2,695,285	(7,197)	2,688,088
Net Position - Beginning (Restated - See Note 19)				11,794,568	158,627	11,953,195
Net Position - Ending				\$ 14,489,853	\$ 151,430	\$ 14,641,283

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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**SOUTHERN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2015
Cash & Cash Equivalents	\$ 828,221	\$ -	\$ -	\$ 14	\$ 828,235
Cash on Hand with Fiscal Agent	1,188,525	-	-	-	1,188,525
Intergovernmental Accounts Receivable					
State	592,242	-	205,177	-	797,419
Federal	-	43,936	-	-	43,936
Other	288,070	856	-	-	288,926
Interfunds Receivable	83,497	-	-	-	83,497
Restricted Cash & Cash Equivalents:					
Capital Reserve Account	5,619,400	-	-	-	5,619,400
Maintenance Reserve Account	1,847,289	-	-	-	1,847,289
Tuition Reserve Account	1,493,739	-	-	-	1,493,739
Premium Stabilization Account	170,467	-	-	-	170,467
Total Assets	\$ 12,111,450	\$ 44,792	\$ 205,177	\$ 14	\$ 12,361,433
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Overdraft	\$ -	\$ 22,882	\$ -	\$ -	\$ 22,882
Accounts Payable	44,507	-	-	-	44,507
Payable to State & Federal Governmen	-	71	-	-	71
Interfund Payables	-	-	83,402	-	83,402
Unearned Revenue	1,189,150	21,839	-	-	1,210,989
Accrued Liability for Insurance Claims	65,793	-	-	-	65,793
Total Liabilities	1,299,450	44,792	83,402	-	1,427,644
Fund Balances:					
Restricted for:					
Capital Reserve Account	5,619,400	-	-	-	5,619,400
Maintenance Reserve Account	1,847,289	-	-	-	1,847,289
Tuition Reserve Account	1,493,739	-	-	-	1,493,739
Excess Surplus	318,461	-	-	-	318,461
Debt Service Fund	-	-	-	14	14
Committed to:					
Capital Projects	-	-	121,775	-	121,775
Assigned for:					
Designated for Subsequent					
Year's Expenditures	351,219	-	-	-	351,219
Other Purposes	78,945	-	-	-	78,945
Unassigned:					
General Fund	1,102,947	-	-	-	1,102,947
Total Fund Balances	10,812,000	-	121,775	14	10,933,789
Total Liabilities & Fund Balances	\$ 12,111,450	\$ 44,792	\$ 205,177	\$ 14	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$62,028,315 and the accumulated depreciation is \$(34,357,605).	27,670,710
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	1,051,966
Internal service funds are used by the District to charge the costs of the self-insured health and prescription programs to the individual funds. The assets & liabilities of the internal service funds are included with governmental activities.	1,611,731
Accrued interest and PERS pension payable are not recorded in the fund financials due to the fact that the payables are not due in the current period	(890,235)
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. (Note 7)	(25,888,108)
Net position of Governmental Activities	\$ 14,489,853

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2015
Revenues:					
Local Sources:					
Local Tax Levy	\$ 42,545,911	\$ -	\$ -	\$ 1,693,882	\$ 44,239,793
Tuition Charges	7,195,290	-	-	-	7,195,290
Transportation Fees	971,960	-	-	-	971,960
Interest on Investments	3,378	-	90	-	3,468
Miscellaneous	65,808	-	-	7	65,815
Total Local Sources	50,782,347	-	90	1,693,889	52,476,326
State Sources	7,068,765	42,280	205,177	-	7,316,222
Federal Sources	61,363	845,765	-	-	907,128
Total Revenues	57,912,475	888,045	205,267	1,693,889	60,699,676
Expenditures:					
Current Expense:					
Regular Instruction	17,670,817	818,469	-	-	18,489,286
Special Education Instruction	7,049,052	-	-	-	7,049,052
Basic Skills/Remedial Instruction	133,320	-	-	-	133,320
Other Instruction	1,505,355	-	-	-	1,505,355
Support Services:					
Tuition	318,069	-	-	-	318,069
Student & Instruction Related Services	5,808,533	-	-	-	5,808,533
General Administrative	916,905	-	-	-	916,905
School Administrative Services	2,011,015	69,576	-	-	2,080,591
Central Services	686,429	-	-	-	686,429
Administrative Information Technology	434,643	-	-	-	434,643
Plant Operations & Maintenance	5,677,472	-	-	-	5,677,472
Student Transportation	4,113,937	-	-	-	4,113,937
Unallocated Benefits	7,542,305	-	-	-	7,542,305
Capital Outlay	758,275	-	512,942	-	1,271,217
Debt Service:					
Principal	-	-	-	1,625,000	1,625,000
Interest	-	-	-	93,375	93,375
Total Expenditures	54,626,127	888,045	512,942	1,718,375	57,745,489
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	3,286,348	-	(307,675)	(24,486)	2,954,187
Other Financing Sources/(Uses):					
Transfers In	90	-	413,640	-	413,730
Transfers Out	(413,640)	-	(90)	-	(413,730)
Total Other Financing Sources/(Uses)	(413,550)	-	413,550	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	2,872,798	-	105,875	(24,486)	2,954,187
Fund Balances July 1	7,939,202	-	15,900	24,500	7,979,602
Fund Balances June 30	\$ 10,812,000	\$ -	\$ 121,775	\$ 14	\$ 10,933,789

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
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) \$ 2,954,187

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 exceeded depreciation in the period:

Depreciation Expense	\$ (1,562,443)	
Revaluation of Capital Assets	(560,105)	
Capital Outlays	<u>1,232,967</u>	(889,581)

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.

Unfunded TPAF Pension Expense	(5,077,118)	
State Share of Unfunded TPAF Pension Expense	5,077,118	
PERS District Pension Contribution - 2015	826,694	
Pension Expense	<u>(1,088,771)</u>	(262,077)

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

Capital Leases	170,188	
Bonds Payable	<u>1,625,000</u>	1,795,188

Net difference of accrued interest on bonds and capital leases is not recorded in the fund financial statements 5,259

Internal service funds are used by the District to charge the costs of the self-insured health and prescription programs to the individual funds. The assets & liabilities of the internal service funds are included with governmental activities. (730,924)

Amortization of losses on early extinguishment of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Amortization of Loss on Refunding	(37,952)	
Amortization of Original Issue Premiums	<u>48,806</u>	10,854

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

Prior Year	3,211,081	
Current Year	<u>(3,398,702)</u>	(187,621)

Change in Net Position of Governmental Activities \$ 2,695,285

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

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Proprietary Funds

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**SOUTHERN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	TOTAL JUNE 30, 2015
Current Assets:			
Cash & Cash Equivalents	\$ 46,973	\$ 63,028	\$ 110,001
Cash on Hand with Fiscal Agents	-	2,673,964	2,673,964
Accounts Receivable:			
State	512	-	512
Federal	19,035	-	19,035
Other	42,224	-	42,224
Inventories	14,766	-	14,766
Total Current Assets	123,510	2,736,992	2,860,502
Capital Assets:			
Equipment	441,636	-	441,636
Less: Accumulated Depreciation	(413,716)	-	(413,716)
Total Capital Assets	27,920	-	27,920
Total Assets	151,430	2,736,992	2,888,422
LIABILITIES			
Accrued Liability for Insurance			
Claims	-	1,125,261	1,125,261
Total Liabilities	-	1,125,261	1,125,261
NET POSITION			
Net Investment in Capital Assets	27,920	-	27,920
Unreserved Net Position	123,510	1,611,731	1,735,241
Total Net Position	\$ 151,430	\$ 1,611,731	\$ 1,763,161

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	TOTAL JUNE 30, 2015
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 252,008	\$ -	\$ 252,008
Daily Sales Nonreimbursable Programs:			
School Lunch Program	403,891	-	403,891
Community Recreation Fees	15,290	-	15,290
Internal Service Funds Provided	-	10,062,740	10,062,740
Total Operating Revenue	671,189	10,062,740	10,733,929
Operating Expenses:			
Cost of Sales	454,119	-	454,119
Salaries	359,148	-	359,148
Payroll Tax Expense & Other			
Employee Benefits	89,513	-	89,513
Purchased Property Services	53,956	-	53,956
Cleaning, Repair & Maintenance Services	24,215	-	24,215
General Supplies	50,282	-	50,282
Insurance	10,432	-	10,432
Depreciation	1,946	-	1,946
Insurance Claims	-	9,787,341	9,787,341
Miscellaneous Expense	7,222	-	7,222
Refund of Claims Paid	-	1,006,422	1,006,422
Total Operating Expenses	1,050,833	10,793,763	11,844,596
Operating Income/(Loss)	(379,644)	(731,023)	(1,110,667)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	7,163	-	7,163
Federal Sources:			
National School Lunch Program	215,629	-	215,629
Health Hunger Free Kids Act	9,266	-	9,266
National School Breakfast Program	29,596	-	29,596
Food Distribution Program	68,325	-	68,325
Interest Income	244	99	343
Guaranteed Profit	42,224	-	42,224
Transfer from General Fund	-	-	-
Total Nonoperating Revenues	372,447	99	372,546
Net Income/(Loss)	(7,197)	(730,924)	(738,121)
Net Position - July 1	158,627	2,342,655	2,501,282
Net Position - June 30	\$ 151,430	\$ 1,611,731	\$ 1,763,161

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	TOTAL JUNE 30, 2015
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 671,189	\$ 10,062,740	\$ 10,733,929
Payments to Employees	(359,148)	-	(359,148)
Payments for Employee Benefits	(89,513)	-	(89,513)
Payments to Suppliers	(533,505)	(10,824,330)	(11,357,835)
Cash Received from Interest Earnings	-	99	99
Net Cash Provided/(Used) by Operating Activities	<u>(310,977)</u>	<u>(761,491)</u>	<u>(1,072,468)</u>
Cash Flows From Noncapital Financing Activities:			
Cash Received From State Reimbursements	7,609	-	7,609
Cash Received From Federal Reimbursements	252,241	-	252,241
Net Cash Provided by Noncapital Financing Activities	<u>259,850</u>	<u>-</u>	<u>259,850</u>
Cash Flows From Capital & Related Financing Activities:			
Transfer of Funds	2,000	-	2,000
Net Cash Used by Capital & Related Financing Activities	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Cash Flows From Investing Activities:			
Interest	244	-	244
Net Cash Provided from Investing Activities	<u>244</u>	<u>-</u>	<u>244</u>
Net Increase/(Decrease) in Cash & Cash Equivalents Balances - Beginning of Year	(48,883)	(761,491)	(810,374)
Balances - Beginning of Year	<u>95,856</u>	<u>3,498,483</u>	<u>3,594,339</u>
Balances - Ending of Year	<u>\$ 46,973</u>	<u>\$ 2,736,992</u>	<u>\$ 2,783,965</u>

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

Operating Income/(Loss)	\$ (379,644)	\$ (730,924)	\$ (1,110,568)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	1,946	-	1,946
USDA Commodities	68,325	-	68,325
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(1,604)	-	(1,604)
Increase/(Decrease) in Accrued Liabilities for Insurance Claims	-	(30,567)	(30,567)
Total Adjustments	<u>68,667</u>	<u>(30,567)</u>	<u>38,100</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (310,977)</u>	<u>\$ (761,491)</u>	<u>\$ (1,072,468)</u>

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

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Fiduciary Fund

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**SOUTHERN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTAL
	SCHOLARSHIP	UNEMPLOYMENT	STUDENT		JUNE 30,
	TRUST FUND	TRUST	ACTIVITIES	PAYROLL	2015
Cash & Cash Equivalents	\$ 126,431	\$ 69,308	\$ 550,540	\$ 348,497	\$ 1,094,776
Total Assets	126,431	69,308	550,540	348,497	1,094,776
LIABILITIES					
Accounts Payable	-	29,077	-	-	29,077
Interfund Payable	-	-	-	95	95
Due to Student Groups	-	-	550,540	-	550,540
Payroll Deductions & Withholdings	-	-	-	348,402	348,402
Total Liabilities	-	29,077	550,540	348,497	928,114
NET POSITION					
Reserved for:					
Scholarships	126,431	-	-	-	126,431
Unemployment Claims	-	40,231	-	-	40,231
Total Net Position	\$ 126,431	\$ 40,231	\$ -	\$ -	\$ 166,662

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		TOTAL
	SCHOLARSHIP FUND	UNEMPLOYMENT TRUST	JUNE 30, 2015
Contributions:			
Scholarship Donations & Contributions	\$ 101,898	\$ 47,125	\$ 149,023
Total Contributions	101,898	47,125	149,023
Investment Earnings:			
Interest - Checking	-	62	62
Net Investment Earnings	-	62	62
Total Additions	101,898	47,187	149,085
DEDUCTIONS			
Quarterly Contribution Reports	-	48,885	48,885
Scholarships Awarded	95,375	-	95,375
Total Deductions	95,375	48,885	144,260
Change in Net Position	6,523	(1,698)	4,825
Net Position - Beginning of the Year	119,908	41,929	161,837
Net Position - End of the Year	\$ 126,431	\$ 40,231	\$ 166,662

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

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies

The accompanying financial statements of the Southern Regional School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

For the year ended June 30, 2015, the District implemented the provisions 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*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

A. Reporting Entity

The Southern Regional School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational, as well as special education for handicapped youngsters. The operation of the District includes one regional junior high and one senior high school, located in Manahawkin. The Southern Regional School District has an approximate enrollment at June 30, 2015 of 2,928 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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

C. 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.

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.

D. 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

E. 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 present 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.

F. 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.

G. 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers 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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

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.

Community Education Fund – This fund accounts for the revenues and expenses pertaining to the District’s community education operations.

Self-Insurance Fund – This fund accounts for the revenues and expenses pertaining to the District’s self-insurance program operations.

Worker’s Compensation Fund – This fund accounts for the revenues and expenses pertaining to the operations of the District’s worker’s compensation program.

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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

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 Student Activity and Payroll 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.

H. 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.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

H. Budgets/Budgetary Control (continued)

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.

I. 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.

J. 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.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

J. Cash and Cash Equivalents (continued)

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.

K. 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.

L. 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.

M. 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.

N. 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:

Building & Building Improvements	20 - 50 Years
Furniture & Fixtures	7 - 20 Years
Machinery & Equipment	5 - 12 Years
Vehicles	5 - 20 Years

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

O. 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.

P. 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.

Q. 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.

R. 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.

S. Pensions

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

T. 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:

- 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 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.

U. 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.
- 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

V. 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.

W. 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.

X. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position reports 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 reports 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.

Y. 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Y. Impact of Recently Issued Accounting Principles (continued)

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.

Z. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 14, 2015, which is the date the financial statements were available to be issued.

Note 2: Cash Deposits and Investments

A. Cash Deposits

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 GUDPA. Under the Act, the first \$250,000.00 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 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 2: Cash Deposits and Investments (continued)

A. Cash Deposits (continued)

As of June 30, 2015, the District's bank balance of \$14,928,598 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	250,000
Uninsured and Uncollateralized		1,409,193
Collateralized in the District's Name Under GUDPA		13,269,405
Total	\$	14,928,598

B. Investments

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

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

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer.

The District did not hold any investments at June 30, 2015.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts

A. Capital Reserve

Southern Regional School District established a Capital Reserve Account 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 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	\$	3,533,040
Withdrawals:		-
Transfer to Capital Projects Fund		(413,640)
Deposits:		
Resolution dated June 10, 2015		2,500,000
Ending Balance June 30, 2015	\$	5,619,400

B. Maintenance Reserve Account

Southern Regional School District established a Maintenance Reserve Account on June 5, 2012 for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued)

B. Maintenance Reserve Account (continued)

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

Beginning Balance, July 1, 2014	\$ 1,425,000
Withdrawals:	
Approved in the 2015 Budget	(277,711)
Deposits:	
Resolution Dated June 10, 2015	700,000
Ending Balance, June 30, 2015	\$ 1,847,289

C. Tuition Reserve Account

Southern Regional School District established a Tuition Reserve Account on June 5, 2012 for the accumulation of Funds for use as tuition expenditures in subsequent fiscal years. The Tuition Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$1,493,739 at June 30, 2015. Of this balance, \$693,739 is the 2013-2014 reserve amount and \$800,000 is the 2014-2015 reserve amount.

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

Beginning Balance, July 1, 2014	\$ 1,301,288
Withdrawals:	
Approved in the 2015 Budget	(607,549)
Deposits:	
Resolution Dated June 10, 2015	800,000
Ending Balance, June 30, 2015	\$ 1,493,739

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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 4. Accounts Receivable

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 592,242	\$ -	\$ 205,177	\$ 512	\$ 797,931
Federal Aid	-	43,936	-	19,035	62,971
Other	288,070	856	-	42,224	331,150
Total	\$ 880,312	\$ 44,792	\$ 205,177	\$ 61,771	\$ 1,192,052

Note 5: Capital Assets

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

	June 30, 2014	Additions	Deletions	June 30, 2015
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 2,525,711	\$ -	\$ -	\$ 2,525,711
Construction in progress	637,172	-	-	637,172
Total capital assets not being depreciated	3,162,883	-	-	3,162,883
Buildings and improvements	41,949,472	6,464	-	41,955,936
Vehicles	6,450,479	564,061	(545,494)	6,469,046
Machinery and equipment	10,294,459	158,859	(12,868)	10,440,450
Subtotal	58,694,410	729,384	(558,362)	58,865,432
Less: accumulated depreciation:	(33,297,002)	(1,562,443)	501,840	(34,357,605)
Total capital assets being depreciated, net	25,397,408	(833,059)	(56,522)	24,507,827
Governmental activities capital assets, net	\$ 28,560,291	\$ (833,059)	\$ (56,522)	\$ 27,670,710

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 5: Capital Assets (continued)

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

	June 30, 2013	Additions	Deletions	June 30, 2014
Business-Type Activities				
Machinery and equipment	\$ 441,636	\$ -	\$ -	\$ 441,636
Less: accumulated depreciation:	(411,770)	(1,946)	-	(413,716)
Governmental activities capital assets, net	<u>\$ 29,866</u>	<u>\$ (1,946)</u>	<u>\$ -</u>	<u>\$ 27,920</u>

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:	
Unallocated	<u>\$ 1,562,443</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,562,443</u>

Note 6. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 83,497	\$ -
Capital Projects Fund	-	83,402
Fiduciary Funds	<u>-</u>	<u>95</u>
	<u>\$ 83,497</u>	<u>\$ 83,497</u>

The purpose of these interfund balances are short-term borrowings and are expected to be repaid in the subsequent year.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations

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

	Balance 06/30/14	Issued	Retired/ Adjusted	Balance 06/30/15	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ 18,367,510	\$ 407,652	\$ -	\$ 18,775,162	\$ -
Compensated Absences Payable	3,211,081	187,621	-	3,398,702	-
Bonds Payable	4,710,000	-	(1,625,000)	3,085,000	1,565,000
Obligations Under Capital Leases	243,424	1,188,525	(170,188)	1,261,761	297,767
Bond Premium	109,814	-	(48,806)	61,008	-
Community Disaster Loan Payable	495,000	-	-	495,000	-
Total	\$ 27,136,829	\$ 1,783,798	\$ (1,843,994)	\$ 27,076,633	\$ 1,862,767

A. 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 District are general obligation bonds.

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

Fiscal Year Ending, June 30,	Principal	Interest	Total
2016	\$ 1,565,000	\$ 57,563	\$ 1,622,563
2017	1,520,000	19,000	1,539,000
Total	\$ 3,085,000	\$ 76,563	\$ 3,161,563

B. Bonds Authorized But Not Issued

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

C. Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years, usually three to five. Interest rates range from 1.33% to 4.75%. The District did not acquire any assets through capital leases for the year ended June 30, 2015.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations (continued)

C. Capital Leases (continued)

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015:

Year Ending June 30,	Amount
2016	\$ 312,596
2017	241,573
2018	245,471
2019	249,488
2020	253,628
Total Minimum Lease Payments	1,302,756
Less:	
Amount Representing Interest	(40,995)
Present Value of Lease Payments	\$ 1,261,761

Note 8: Pension Obligations

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/annrpts.shtml.

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

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.

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>
06/30/15	\$ 830,655	100%	\$ 18,775,162
06/30/14	725,062	100%	18,367,510
06/30/13	726,996	100%	N/A

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$18,775,162 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 .1003%, which was an increase of .00042% 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>
Acturial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 2,123,425	\$ 826,694
Deferred Inflows of Resources	\$ 1,118,898	N/A
Net Pension Liability	\$ 18,775,162	\$ 18,367,510
District's portion of the Plan's total net pension Liability	0.10028%	0.09610%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$1,088,771. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 590,392	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,118,898
Changes in proportion and differences between District contributions and proportionate share of contributions	674,081	-
District contributions subsequent to the measurement date	858,952	-
Total	<u>\$ 2,123,425</u>	<u>\$ 1,118,898</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

\$858,952 was 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:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ 2,712
2017	2,712
2018	2,712
2019	2,712
2020	2,712
Thereafter	<u>132,015</u>
Total	<u>\$ 145,575</u>

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:

	<u>PERS</u>
Measurement date	June 30, 2014
Acturial 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (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 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	<u>100.00%</u>	

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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

	<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	\$ 23,619,793	\$ 18,775,162	\$ 14,706,905

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.

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.

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 of the State. The amounts presented in the Schedules were prepared in

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

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.

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

<u>Year</u> <u>Funding</u>	<u>Post-Retirement</u> <u>Medical & Annual</u> <u>Pension Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
06/30/15	\$ 3,015,951	100%	\$ -
06/30/14	2,420,915	100%	-
06/30/13	2,928,815	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
Acturial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

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.

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%	

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

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

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.

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.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Post-Retirement Benefits (continued)

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.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State’s contributions to the State Health Benefits Program Fund for TPAF retirees’ post-employment benefits on behalf of the District for the years ended June 30, 2015, 2014, and 2013 were \$1,850,366, \$1,505,635, and \$1,554,267, respectively, which equaled the required contributions for each year. The State’s contributions to the State Health Benefits Program Fund for PERS retirees’ post-retirement benefits on-behalf of the District was not determined or made available by the State of New Jersey.

Note 10. Risk Management

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

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 their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ 47,125	\$ 62	\$ 48,885	\$ 40,231
2013-2014	47,504	58	42,485	41,929
2012-2013	41,400	42	27,998	36,852

Self Insurance – The District is self-insured for health and prescription benefits, which provides for the District’s employees’ health benefits and prescription plans. Under the program, annual rates are established with the insurance carrier based on expenses, projected claims and a margin for fluctuation, thereby providing a predictable monthly premium. The claims are filed with and paid by Horizon BlueCross BlueShield, who bills the District on a monthly basis for actual claims paid.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 10. Risk Management (continued)

This activity is reported in the government-wide financial statements and includes an accrual for health insurance claims incurred but not reported in the amount of \$1,191,054 at June 30, 2015. This represents the amount estimated by categorizing the various claims and reviewing past history primarily on actual claims during the previous fiscal years, for which information was available and supplemental information with respect to certain other individual claims and proceedings. The stated liability is the District's best estimate based on currently known information, which is funded through annual appropriations in the general fund.

Note 11. Contingencies

State and Federal Grantor Agencies - 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.

Pending Litigation - The District is not involved in any pending or threatened litigation, claims or assessments.

Note 12. 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 13. 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:

Met Life
Discovery Financial
PFS Shareholder Services
The Vanguard Group

Equitable Life Assurance Company
Lincoln Investment Planning, Inc.
USAA Life Insurance

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 14. 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets 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 \$3,398,702.

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 15. State Aid Receivable

Amounts reported in the accompanying schedules do not agree with amounts reported in the Board's basic financial statements. The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. 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. In July 2015 the final state aid payments were made in the amount of \$173,998. The Budgetary Basis recognizes this as revenue and a related receivable, the GAAP basis does not.

Note 16. Fund Balance

General Fund – Of the \$10,812,000 General Fund fund balance at June 30, 2015, \$5,619,400 has been restricted for the capital reserve account; \$1,847,289 has been restricted for the maintenance reserve account; \$1,493,739 has been restricted for the tuition reserve account; \$351,219 has been assigned to be designated for subsequent year expenditures; \$318,461 has been restricted for excess surplus; \$78,945 has been assigned for other purposes and \$1,102,947 is unassigned.

Capital Projects Fund – All of the \$121,775 Capital Projects Fund fund balance at June 30, 2015, is committed to Capital Projects.

Debt Service Fund – All of the \$14 Debt Service Fund fund balance at June 30, 2015 is restricted for Debt Service.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 17. 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 Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had excess fund balance of \$318,461 at June 30, 2015.

Note 18: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(18,250,930) 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 19. 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*.

		Governmental Activities
Net Position as previously reported at June 30, 2014	\$	30,162,078
Prior period adjustment - Implementation of GASB #68:		
Net Pension Liability (Measurement date as of June 30, 2013)	\$	(18,367,510)
Pension Payable at June 30, 2015		(826,694)
Deferred Outflows (District contributions made during fiscal year 2014)		826,694
Total prior period adjustment		(18,367,510)
Net Position as restated, July 1, 2014	\$	11,794,568

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 42,545,911	\$ -	\$ 42,545,911	\$ 42,545,911	\$ -
Tuition	10-1300	7,120,864	-	7,120,864	7,195,290	74,426
Transportation Fees	10-1420	975,745	-	975,745	971,960	(3,785)
Interest Earned on Capital Reserve Funds	10-1XXX	-	-	-	3,378	3,378
Unrestricted Miscellaneous Revenues	10-1XXX	120,000	-	120,000	65,808	(54,192)
Total Local Sources		50,762,520	-	50,762,520	50,782,347	19,827
State Sources:						
Categorical Special Education Aid	10-3132	1,444,854	-	1,444,854	1,444,854	-
Extraordinary Aid	10-3131	250,000	-	250,000	507,831	257,831
Categorical Transportation Aid	10-3121	263,093	-	263,093	263,093	-
Categorical Security Aid	10-3177	200,138	-	200,138	200,138	-
Non-Public Transportation Aid	10-3190	-	-	-	10,285	10,285
PARCC Readiness Aid	10-31XX	25,970	-	25,970	25,970	-
Per Pupil Growth Aid	10-31XX	25,970	-	25,970	25,970	-
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	1,165,585	1,165,585
On-Behalf TPAF Post-Retirement Medical		-	-	-	1,850,366	1,850,366
Reimbursed TPAF Social Security		-	-	-	1,582,382	1,582,382
Total State Sources		2,210,025	-	2,210,025	7,076,474	4,866,449
Federal Sources:						
Medicaid Reimbursement	10-4200	40,078	-	40,078	61,363	21,285
Total Federal Sources		40,078	-	40,078	61,363	21,285
Total Revenues		53,012,623	-	53,012,623	57,920,184	4,907,561
Expenditures:						
Current Expense:						
Grades 6-8 Salaries of Teachers	11-130-100-101	4,608,672	-	4,608,672	4,245,161	363,511
Employee Benefits	11-130-100-270	1,219,907	(27,985)	1,191,922	1,077,894	114,028
Grades 9-12 Salaries of Teachers	11-140-100-101	9,261,501	(2,500)	9,259,001	8,891,052	367,949
Employee Benefits	11-140-100-270	2,484,816	(68,757)	2,416,059	2,155,893	260,166
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	140,000	10,074	150,074	149,519	555
Other Salaries for Instruction	11-190-100-106	25,619	-	25,619	25,619	-
Purchased Technical Services	11-190-100-340	57,100	(4,225)	52,875	51,948	927
Other Purchased Services - (400-500 Series)	11-190-100-500	320,411	2,587	322,998	285,209	37,789
General Supplies	11-190-100-610	581,744	11,153	592,897	570,782	22,115
Textbooks	11-190-100-640	166,430	4,455	170,885	156,843	14,042
Other Objects	11-190-100-890	60,100	6,056	66,156	60,897	5,259
Total Regular Programs		18,926,300	(69,142)	18,857,158	17,670,817	1,186,341
Special Education:						
Learning/Language Disabilities:						
Salaries of Teachers	11-204-100-101	483,425	(675)	482,750	433,540	49,210
Other Salaries for Instruction	11-204-100-106	26,869	675	27,544	27,544	-
Employee Benefits	11-204-100-270	145,232	6,218	151,450	136,957	14,493
General Supplies	11-204-100-610	10,388	(149)	10,239	7,777	2,462
Textbooks	11-204-100-640	1,500	-	1,500	115	1,385
Other Objects	11-204-100-800	8,150	-	8,150	4,577	3,573
Total Learning/Language Disabilities		675,564	6,069	681,633	610,510	71,123

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	638,959	-	638,959	613,995	24,964
Other Salaries for Instruction	11-209-100-106	201,278	-	201,278	182,278	19,000
Employee Benefits	11-209-100-270	290,444	(25,078)	265,366	239,554	25,812
Other Purchased Services-(400-500)	11-209-100-500	1,300	-	1,300	50	1,250
General Supplies	11-209-100-610	15,000	15	15,015	3,579	11,436
Textbooks	11-209-100-640	2,750	-	2,750	336	2,414
Other Objects	11-209-100-800	2,800	-	2,800	2,513	287
Total Behavioral Disabilities		1,152,531	(25,063)	1,127,468	1,042,305	85,163
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	3,451,402	-	3,451,402	3,376,915	74,487
Other Salaries for Instruction	11-213-100-106	335,160	(25,653)	309,507	169,192	140,315
Employee Benefits	11-213-100-270	1,016,774	-	1,016,774	919,128	97,646
Other Purchased Services-(400-500)	11-213-100-500	850	-	850	402	448
General Supplies	11-213-100-610	7,600	2	7,602	7,186	416
Textbooks	11-213-100-640	8,500	(1)	8,499	3,878	4,621
Other Objects	11-213-100-800	450	-	450	401	49
Total Resource Room/Resource Center		4,820,736	(25,652)	4,795,084	4,477,102	317,982
Autism:						
Salaries of Teachers	11-214-100-101	173,344	21,710	195,054	195,054	-
Other Salaries for Instruction	11-214-100-106	548,254	(15,000)	533,254	462,771	70,483
Employee Benefits	11-214-100-270	396,092	(109,292)	286,800	198,791	88,009
Purchased Professional - Educational Services	11-214-100-320	75,275	3,000	78,275	57,961	20,314
Other Purchased Services-(400-500)	11-214-100-500	1,300	-	1,300	831	469
General Supplies	11-214-100-610	5,510	-	5,510	3,727	1,783
Total Autism		1,199,775	(99,582)	1,100,193	919,135	181,058
Total Special Education		7,848,606	(144,228)	7,704,378	7,049,052	655,326
Other Instructional Programs:						
Basic Skills/Remedial - Instruction:						
Other Salaries for Instruction	11-230-100-106	90,599	-	90,599	90,599	-
Employee Benefits	11-230-100-270	86,460	(45,459)	41,001	37,076	3,925
General Supplies	11-230-100-610	2,500	(670)	1,830	1,680	150
Textbooks	11-230-100-640	2,500	(1,500)	1,000	998	2
Other Objects	11-230-100-800	200	2,170	2,370	2,370	-
Total Basic Skills/Remedial Instruction		182,259	(45,459)	136,800	132,723	4,077
Bilingual Education - Instruction:						
General Supplies	11-240-100-610	1,000	-	1,000	597	403
Textbooks	11-240-100-640	1,000	-	1,000	-	1,000
Total Bilingual Education - Instruction		2,000	-	2,000	597	1,403
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	274,312	-	274,312	258,471	15,841
Other Objects	11-401-100-800	35,540	5,268	40,808	38,088	2,720
Total School Sponsored Cocurricular Activities		309,852	5,268	315,120	296,559	18,561
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	868,416	(1,058)	867,358	840,527	26,831
Employee Benefits	11-402-100-270	20,063	(17,635)	2,428	2,227	201
Purchased Services - (300-500 Series)	11-402-100-500	2,000	417	2,417	1,086	1,331
Supplies and Materials	11-402-100-600	104,916	(11,695)	93,221	90,926	2,295
Other Objects	11-402-100-800	225,785	52,730	278,515	274,030	4,485
Total School Sponsored Athletics - Instructor		1,221,180	22,759	1,243,939	1,208,796	35,143

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Other Instruction		1,715,291	(17,432)	1,697,859	1,638,675	59,184
Total - Instruction		28,490,197	(230,802)	28,259,395	26,358,544	1,900,851
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within State - Special	11-000-100-562	-	15,000	15,000	14,256	- 744
Tuition to County Vocational School District - Regular	11-000-100-563	15,000	-	15,000	11,500	3,500
Tuition to County Special Services & Regular Day Schools	11-000-100-565	87,500	(33,500)	54,000	16,810	37,190
Tuition to Private Schools for the Handicapped - Within the State	11-000-100-566	583,419	1,000	584,419	136,166	448,253
Tuition to Private Schools for the Handicapped-Other LEA's	11-000-100-567	120,000	17,500	137,500	45,456	92,044
Tuition - State Facilities	11-000-100-568	67,771	-	67,771	67,771	-
Tuition Other	11-000-100-569	31,000	-	31,000	26,110	4,890
Total Instruction		904,690	-	904,690	318,069	586,621
Attendance/Social Work:						
Salaries	11-000-211-100	137,687	(133)	137,554	134,999	2,555
Employee Benefits	11-000-211-270	74,475	-	74,475	67,329	7,146
Supplies and Materials	11-000-211-600	1,000	-	1,000	877	123
Total Attendance/Social Work		213,162	(133)	213,029	203,205	9,824
Health Services:						
Salaries	11-000-213-100	232,958	(606)	232,352	217,899	14,453
Employee Benefits	11-000-213-270	44,384	-	44,384	40,157	4,227
Purchased Professional & Technical Services	11-000-213-300	28,000	-	28,000	28,000	-
Other Purchased Services - (400-500 Series)	11-000-213-500	600	247	847	247	600
Supplies and Materials	11-000-213-600	8,100	-	8,100	7,724	376
Total Health Services		314,042	(359)	313,683	294,027	19,656
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	372,328	(26,605)	345,723	345,723	-
Employee Benefits	11-000-216-270	57,892	-	57,892	1,099	56,793
Supplies and Materials	11-000-216-600	1,500	-	1,500	702	798
Total Other Support Services - Students - Related - Services		431,720	(26,605)	405,115	347,524	57,591
Other Support Services Students - Extraordinary Services:						
Salaries	11-000-217-100	569,157	60,087	629,244	629,244	-
Employee Benefits	11-000-217-270	453,731	-	453,731	410,354	43,377
Total Other Support Services Students - Extraordinary Services		1,022,888	60,087	1,082,975	1,039,598	43,377
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	1,063,272	(11,485)	1,051,787	1,051,786	1
Salaries of Secretarial & Clerical Assistants	11-000-218-105	128,175	-	128,175	128,175	-
Other Salaries	11-000-218-110	21,600	1,470	23,070	23,070	-
Employee Benefits	11-000-218-270	364,757	(1,470)	363,287	328,565	34,722
Other Purchased Services - (400-500 Series)	11-000-218-500	700	-	700	75	625
Supplies and Materials	11-000-218-600	3,800	-	3,800	1,970	1,830
Other Objects	11-000-218-800	7,500	-	7,500	5,660	1,840
Total Other Support Services - Students - Regular		1,589,804	(11,485)	1,578,319	1,539,301	39,018

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	872,916	(34,275)	838,641	836,807	1,834
Salaries of Secretarial & Clerical Assistants	11-000-219-105	143,266	-	143,266	143,266	-
Other Salaries	11-000-219-110	15,000	(1,350)	13,650	13,650	-
Employee Benefits	11-000-219-270	199,099	-	199,099	180,078	19,021
Purchased Professional - Educational Services	11-000-219-320	28,776	(1,092)	27,684	11,570	16,114
Other Purchased Services - (400-500 Series)	11-000-219-592	9,200	-	9,200	6,446	2,754
Supplies and Materials	11-000-219-600	2,500	-	2,500	2,175	325
Other Objects	11-000-219-800	3,849	148	3,997	3,994	3
Total Other Support Services - Students - Special Services		1,274,606	(36,569)	1,238,037	1,197,986	40,051
Improvement of Instruction Services:						
Salaries of Other Professional Staff	11-000-221-104	444,195	13,326	457,521	457,521	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	139,322	-	139,322	139,322	-
Employee Benefits	11-000-221-270	155,048	-	155,048	140,254	14,794
Total Improvement of Instruction Services		738,565	13,326	751,891	737,097	14,794
Educational Media Services/School Library:						
Salaries of Teachers	11-000-222-100	289,885	2,000	291,885	291,885	-
Employee Benefits	11-000-222-270	133,628	-	133,628	120,846	12,782
Other Purchased Services - (400-500 Series)	11-000-222-500	860	-	860	710	150
Supplies and Materials	11-000-222-600	42,360	(110)	42,250	36,354	5,896
Total Educational Media Services/School Library		466,733	1,890	468,623	449,795	18,828
Support Services General Administration:						
Salaries	11-000-230-100	508,605	-	508,605	508,589	16
Employee Benefits	11-000-230-270	49,104	-	49,104	44,374	4,730
Legal Services	11-000-230-331	44,500	636	45,136	40,518	4,618
Audit Fees	11-000-230-332	31,700	-	31,700	30,638	1,062
Other Purchased Professional Services	11-000-230-339	36,000	90,000	126,000	31,388	94,612
Communications/Telephone	11-000-230-530	85,000	-	85,000	82,342	2,658
Other Purchased Professional Services	11-000-230-585	500	-	500	-	500
Other Purchased Services - (400-500)	11-000-230-590	145,783	100	145,883	142,929	2,954
General Supplies	11-000-230-610	9,000	-	9,000	2,683	6,317
Miscellaneous	11-000-230-890	17,000	-	17,000	9,653	7,347
BOE Membership Dues & Fees	11-000-230-895	24,500	(100)	24,400	23,791	609
Total Support Services General Administration		951,692	90,636	1,042,328	916,905	125,423
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	1,084,990	6,098	1,091,088	1,091,088	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	453,517	(965)	452,552	451,537	1,015
Employee Benefits	11-000-240-270	418,302	-	418,302	378,246	40,056
Other Purchased Services - (400-500 Series)	11-000-240-500	200	159,674	159,874	-	159,874
Supplies and Materials	11-000-240-600	40,470	(400)	40,070	27,020	13,050
Other Objects	11-000-240-800	93,645	(2,457)	91,188	63,124	28,064
Total Support Services School Administration		2,091,124	161,950	2,253,074	2,011,015	242,059
Central Services:						
Salaries	11-000-251-100	517,126	-	517,126	517,125	1
Employee Benefits	11-000-251-270	114,534	-	114,534	103,564	10,970
Purchased Professional Services	11-000-251-330	20,000	(4,178)	15,822	15,822	-
Purchased Technical Services	11-000-251-340	9,500	90,851	100,351	19,542	80,809
Miscellaneous Purchased Services (400-500 Series)	11-000-251-592	15,200	333	15,533	15,382	151
General Supplies	11-000-251-610	4,000	300	4,300	4,300	-
Miscellaneous	11-000-251-890	3,000	7,793	10,793	10,694	99
Total Central Services		683,360	95,099	778,459	686,429	92,030

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Administrative Information Technology:						
Salaries	11-000-252-100	318,585	-	318,585	317,100	1,485
Employee Benefits	11-000-252-270	65,428	-	65,428	59,188	6,240
Purchased Technical Services	11-000-252-340	33,400	-	33,400	30,400	3,000
Other Purchased Services	11-000-252-500	6,000	-	6,000	3,442	2,558
Supplies and Materials	11-000-252-600	25,000	-	25,000	24,513	487
Total Administrative Information Technology		448,413	-	448,413	434,643	13,770
Operations and Maintenance of Plant Services:						
Health Benefits	11-000-260-270	1,093,800	-	1,093,800	988,147	105,653
Total Operations and Maintenance of Plant Services		1,093,800	-	1,093,800	988,147	105,653
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	813,271	-	813,271	783,294	29,977
Cleaning, Repair & Maintenance Services	11-000-261-420	470,450	45,493	515,943	485,942	30,001
Supplies and Materials	11-000-261-610	172,500	(14,000)	158,500	148,690	9,810
Total Allowable Maintenance for School Facilities:		1,456,221	31,493	1,487,714	1,417,926	69,788
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	938,146	-	938,146	905,041	33,105
Salaries of Non-Instructional Aids	11-000-262-107	40,000	-	40,000	39,154	846
Cleaning, Repair & Maintenance Services	11-000-262-420	64,500	(2,000)	62,500	36,976	25,524
Rental of Land & Building Other than Lease Purchase Agreement	11-000-262-441	60,000	-	60,000	28,896	31,104
Other Purchased Property Service	11-000-262-490	185,000	-	185,000	175,811	9,189
Insurance	11-000-262-520	151,070	-	151,070	151,070	-
General Supplies	11-000-262-610	187,000	2,978	189,978	179,793	10,185
Energy (Natural Gas)	11-000-262-621	270,000	-	270,000	246,768	23,232
Energy (Electricity)	11-000-262-622	875,500	-	875,500	856,146	19,354
Other Objects	11-000-262-800	13,000	4,409	17,409	16,959	450
Total Other Operation & Maintenance of Plant		2,784,216	5,387	2,789,603	2,636,614	152,989
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	278,074	(12,065)	266,009	259,290	6,719
Cleaning, Repair, & Maintenance Services	11-000-263-420	26,000	3,900	29,900	27,539	2,361
General Supplies	11-000-263-610	127,700	(16,500)	111,200	109,354	1,846
Other Objects	11-000-263-800	1,000	(94)	906	340	566
Total Care & Upkeep of Grounds		432,774	(24,759)	408,015	396,523	11,492
Security:						
Salaries	11-000-266-100	199,197	39,065	238,262	238,262	-
Total Security		199,197	39,065	238,262	238,262	-
Student Transportation Services:						
Salaries for Non Instructional Aides	11-000-270-107	93,350	1,881	95,231	95,231	-
Salaries for Pupil Transportation - (Between Home & School) - Regular	11-000-270-160	1,628,980	(1,881)	1,627,099	1,585,378	41,721
Salaries for Pupil Transportation - (Between Home & School) - Nonpublic	11-000-270-162	300,000	-	300,000	283,123	16,877
Employee Benefits	11-000-270-270	1,487,730	-	1,487,730	1,345,422	142,308
Cleaning, Repair Services	11-000-270-420	60,000	20,432	80,432	78,162	2,270
Contracted Services (Between Home & School) - Vendors	11-000-270-511	250,000	(34,492)	215,508	156,743	58,765
Miscellaneous Purchased Services	11-000-270-593	85,000	-	85,000	85,000	-
General Supplies	11-000-270-610	643,500	1,042	644,542	477,344	167,198
Other Objects	11-000-270-800	7,500	34	7,534	7,534	-
Total Student Transportation Services		4,556,060	(12,984)	4,543,076	4,113,937	429,139

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	820,000	-	820,000	791,935	28,065
Other Retirement Contributions - PERS	11-000-291-241	900,000	(5,448)	894,552	830,655	63,897
Other Retirement Contributions - Regular	11-000-291-249	10,000	-	10,000	9,843	157
Unemployment Compensation	11-000-291-250	50,000	(28,483)	21,517	-	21,517
Workman's Compensation	11-000-291-260	478,000	6,617	484,617	484,617	-
Health Benefits	11-000-291-270	590,000	7,037	597,037	539,973	57,064
Tuition Reimbursement	11-000-291-280	90,000	4,394	94,394	94,394	-
Other Employee Benefits	11-000-291-290	255,106	(62,377)	192,729	192,555	174
Total Unallocated Benefits - Employee Benefits		3,193,106	(78,260)	3,114,846	2,943,972	170,874
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	1,165,585	(1,165,585)
On-Behalf TPAF Post Retirement Medical		-	-	-	1,850,366	(1,850,366)
Reimbursed TPAF Social Security		-	-	-	1,582,382	(1,582,382)
Total Undistributed Expenditures		24,846,173	307,779	25,153,952	27,509,308	(2,355,356)
Total Expenditures - Current Expense		53,336,370	76,977	53,413,347	53,867,852	(454,505)
Capital Outlay:						
Equipment:						
Undistributed Expenditures:						
Instructional Equipment	12-000-100-730	135,500	7,559	143,059	131,208	11,851
School Administration	12-000-240-730	10,000	2,432	12,432	12,432	-
Custodial Services	12-000-262-730	22,000	(6,768)	15,232	12,325	2,907
Noninstructional Services:						
School Buses - Regular	12-000-270-733	577,000	(12,940)	564,060	564,060	-
Total Equipment		744,500	(9,717)	734,783	720,025	14,758
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	76,400	-	76,400	-	76,400
Assessment for Debt Service on SDA Funding	12-000-400-896	38,250	-	38,250	38,250	-
Capital Reserve Transfer to Capital Projects Fund	12-000-400-931	413,640	-	413,640	413,640	-
Total Facilities Acquisition & Construction Services		528,290	-	528,290	451,890	76,400
Total Capital Outlay		1,272,790	(9,717)	1,263,073	1,171,915	91,158
Total Expenditures		54,609,160	67,260	54,676,420	55,039,767	(363,347)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,596,537)	(67,260)	(1,663,797)	2,880,417	4,544,214
Other Financing Sources/(Uses):						
Operating Transfers In/(Out):						
Transfer of Funds to Charter Schools		(13,141)	-	(13,141)	-	13,141
Transfer to Cover Enterprise Fund Deficit		(24,000)	-	(24,000)	-	24,000
Interest Earned in Capital Projects Fund		-	-	-	90	90
Total Other Financing Sources/(Uses)		(37,141)	-	(37,141)	90	37,231

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues & Other Financing Sources					
Over/(Under) Expenditures & Other Financing Uses	(1,633,678)	(67,260)	(1,700,938)	2,880,507	4,581,445
Fund Balances, July 1	8,105,491	-	8,105,491	8,105,491	-
Fund Balances, June 30	<u>\$ 6,471,813</u>	<u>\$ (67,260)</u>	<u>\$ 6,404,553</u>	<u>\$ 10,985,998</u>	<u>\$ 4,581,445</u>

RECAPITULATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	<u>\$ 67,260</u>
	<u>\$ 67,260</u>

RECAPITULATION OF FUND BALANCE

Restricted:	
Capital Reserve	\$ 2,319,400
Capital Reserve Designated for Subsequent Year's Expenditures	3,300,000
Maintenance Reserve	1,569,578
Maintenance Reserve Designated for Subsequent Year's Expenditures	277,711
Prior Year Tuition Reserve	693,739
Current Year Tuition Reserve	800,000
Excess Surplus	318,461
Assigned:	
Designated for Subsequent Year's Expenditures	351,219
Year-End Encumbrances	78,945
Unassigned Fund Balance	<u>1,276,945</u>
Subtotal	10,985,998
Reconciliation to Governmental Funds Statements (GAAP):	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(173,998)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 10,812,000</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:					
State Sources	\$ -	\$ 42,280	\$ 42,280	\$ 42,280	\$ -
Federal Sources	-	848,938	848,938	848,938	-
Total Revenues	-	891,218	891,218	891,218	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	147,001	147,001	147,001	-
Purchased Professional - Educational Services	-	607,154	607,154	607,154	-
General Supplies	-	64,157	64,157	64,157	-
Textbooks	-	3,330	3,330	3,330	-
Total Instruction	-	821,642	821,642	821,642	-
Support Services:					
Personal Services - Employee Benefits	-	32,455	32,455	32,455	-
Purchased Professional - Educational Services	-	22,893	22,893	22,893	-
Other Purchased Services	-	13,728	13,728	13,728	-
Supplies & Materials	-	500	500	500	-
Total Support Services	-	69,576	69,576	69,576	-
Total Expenditures	-	891,218	891,218	891,218	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**SOUTHERN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE 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)	\$ 57,920,184	\$ 891,218
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(34,422)
Prior Year	-	31,249
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	166,289	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(173,998)	-
	\$ 57,912,475	\$ 888,045
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 57,912,475	\$ 888,045
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 55,039,767	\$ 891,218
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(34,422)
Prior Year	-	31,249
	\$ 55,039,767	\$ 888,045
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 55,039,767	\$ 888,045

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SOUTHERN REGIONAL SCHOOL DISTRICT
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)	0.100%	0.096%
District's proportionate share of the net pension liability (asset)	\$ 18,775,162	\$ 18,367,510
District's covered-employee payroll	\$ 7,630,036	\$ 7,640,555
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	246.07%	240.40%
Plan fiduciary net position as a percentage of the total pension liability	81.38%	83.20%

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 858,952	\$ 826,694
Contributions in relation to the contractually required contribution	<u>858,952</u>	<u>826,694</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	7,630,036	7,640,555
Contributions as a percentage of covered- employee payroll	11.26%	10.82%

SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.2171%	0.2127%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 116,015,121	\$ 107,510,677
District's covered-employee payroll	\$ 23,420,535	\$ 23,452,825
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%

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED 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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**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	TITLE I	TITLE IIA	I.D.E.A. PART B <u>HANDICAPPED</u>
Revenues:			
State Sources	\$ -	\$ -	\$ -
Federal Source	177,232	71,858	599,848
Total Revenues	\$ 177,232	\$ 71,858	\$ 599,848
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 87,379	\$ 55,122	\$ 4,500
Purchased Professional Services	-	-	569,979
General Supplies	62,382	-	-
Textbooks	-	-	-
Total Instruction	149,761	55,122	574,479
Support Services:			
Personal Services - Employee Benefits	17,779	14,332	344
Purchased Professional Services	9,692	2,404	10,797
Other Purchased Services	-	-	13,728
Supplies & Materials	-	-	500
Total Support Services	27,471	16,736	25,369
Total Expenditures	\$ 177,232	\$ 71,858	\$ 599,848

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	NONPUBLIC				
	TEXTBOOK	NURSING	TECHNOLOGY	CHAPTER 192	CHAPTER 193
Revenues:					
State Sources	\$ 3,330	\$ 5,263	\$ 1,775	\$ 13,437	\$ 18,475
Federal Source	-	-	-	-	-
Total Revenues	<u>\$ 3,330</u>	<u>\$ 5,263</u>	<u>\$ 1,775</u>	<u>\$ 13,437</u>	<u>\$ 18,475</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional Services	-	5,263	-	13,437	18,475
General Supplies	-	-	1,775	-	-
Textbooks	3,330	-	-	-	-
Total Instruction	<u>3,330</u>	<u>5,263</u>	<u>1,775</u>	<u>13,437</u>	<u>18,475</u>
Support Services:					
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 3,330</u>	<u>\$ 5,263</u>	<u>\$ 1,775</u>	<u>\$ 13,437</u>	<u>\$ 18,475</u>

EXHIBIT E-1

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2015
Revenues:	
State Sources	\$ 42,280
Federal Source	848,938
	848,938
Total Revenues	\$ 891,218
Expenditures:	
Instruction:	
Salaries of Teachers	\$ 147,001
Purchased Professional Services	607,154
General Supplies	64,157
Textbooks	3,330
	681,642
Total Instruction	821,642
Support Services:	
Personal Services - Employee Benefits	32,455
Purchased Professional Services	22,893
Other Purchased Services	13,728
Supplies & Materials	500
	79,576
Total Support Services	69,576
Total Expenditures	\$ 891,218

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F. Capital Projects Fund

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**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2015
			PRIOR YEARS	CURRENT YEAR	
Emergency Generator Project	N/A	\$ 75,000	\$ 59,100	\$ -	\$ 15,900
Middle School Window Project	7/25/14	689,400	-	512,942	176,458
Total		\$ 764,400	\$ 59,100	\$ 512,942	\$ 192,358

Reconciliation of Fund Balance, June 30, 2015

Unexpended Project Balances, June 30, 2015	\$ 192,358
Less:	
Unexpended State Aid - ROD Grants	<u>(70,583)</u>
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 121,775</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues & Other Financing Sources:	
State Sources - ROD Grant	\$ 275,760
Transfer from Capital Reserve	413,640
Interest	<u>90</u>
Total Revenues	<u>689,490</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	35,840
Construction Services	<u>477,102</u>
Total Expenditures	<u>512,942</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	176,548
Other Financing Sources/(Uses):	
Transfer of Interest Earnings to General Fund	<u>(90)</u>
Total Other Financing Sources & Uses	<u>(90)</u>
Net Change in Fund Balance	176,458
Fund Balance - Beginning	<u>15,900</u>
Fund Balance - Ending	<u><u>\$ 192,358</u></u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
EMERGENCY GENERATOR PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Maintenance Reserve	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Total Reserve	75,000	-	75,000	75,000
Expenditures & Other Financing Uses:				
Professional Professional & Technical Services	13,750	-	13,750	25,000
Construction Services	45,350	-	45,350	50,000
Total Expenditures & Other Financing Uses	59,100	-	59,100	75,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 15,900	\$ -	\$ 15,900	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$75,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$75,000.00
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	78.80%
Original Target Completion Date	06/30/14
Revised Target Completion Date	06/30/14

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
MIDDLE SCHOOL WINDOW PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 275,760	\$ 275,760	\$ 275,760
Transfer from Capital Reserve	-	413,640	413,640	413,640
<hr/>				
Total Reserve	-	689,400	689,400	689,400
<hr/>				
Expenditures & Other Financing Uses:				
Professional Professional & Technical Services	-	35,840	35,840	82,728
Construction Services	-	477,102	477,102	606,672
<hr/>				
Total Expenditures & Other Financing Uses	-	512,942	512,942	689,400
<hr/>				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 176,458	\$ 176,458	\$ -
<hr/> <hr/>				

ADDITIONAL PROJECT INFORMATION

Project Number	4950-060-14-G2ZV
Grant Date	7/25/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$689,400
Additional Authorized Cost	-
Revised Authorized Cost	\$689,400
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	74%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

G. Proprietary Funds

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Enterprise Funds

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**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	COMMUNITY EDUCATION	
Current Assets:			
Cash & Cash Equivalents	\$ 45,727	\$ 1,246	\$ 46,973
Accounts Receivable:			
State	512	-	512
Federal	19,035	-	19,035
Other	42,224	-	42,224
Inventories	14,766	-	14,766
Total Current Assets	122,264	1,246	123,510
Noncurrent Assets:			
Equipment	441,636	-	441,636
Less: Accumulated Depreciation	(413,716)	-	(413,716)
Total Noncurrent Assets	27,920	-	27,920
Total Assets	150,184	1,246	151,430
LIABILITIES			
Cash Deficit	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Net Investment in Capital Assets	27,920	-	27,920
Unreserved Net Position	122,264	1,246	123,510
Total Net Position	\$ 150,184	\$ 1,246	\$ 151,430

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	COMMUNITY EDUCATION	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 252,008	\$ -	\$ 252,008
Daily Sales Nonreimbursable Programs:			
School Lunch Program	403,891	-	403,891
Community Recreation Fees	-	15,290	15,290
Total Operating Revenue	655,899	15,290	671,189
Operating Expenses:			
Cost of Sales	454,119	-	454,119
Salaries	347,135	12,013	359,148
Payroll Tax Expense & Other Employee Benefits	89,513	-	89,513
Purchased Property Services	53,956	-	53,956
Cleaning, Repair & Maintenance Services	24,215	-	24,215
General Supplies	50,282	-	50,282
Insurance	10,432	-	10,432
Depreciation	1,946	-	1,946
Miscellaneous Expense	3,606	3,616	7,222
Total Operating Expenses	1,035,204	15,629	1,050,833
Operating Income/(Loss)	(379,305)	(339)	(379,644)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	7,163	-	7,163
Federal Sources:			
National School Lunch Program	215,629	-	215,629
Healthy Hunger Free Kids Act	9,266	-	9,266
National School Breakfast Program	29,596	-	29,596
Food Distribution Program	68,325	-	68,325
Interest Income	244	-	244
Guaranteed Profit	42,224	-	42,224
Total Nonoperating Revenues	372,447	-	372,447
Net Income/(Loss)	(6,858)	(339)	(7,197)
Net Position - July 1	157,042	1,585	158,627
Net Position - June 30	\$ 150,184	\$ 1,246	\$ 151,430

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD	COMMUNITY	TOTAL
	SERVICE	EDUCATION	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 655,899	\$ 15,290	\$ 671,189
Payments to Employees	(347,135)	(12,013)	(359,148)
Payments for Employee Benefits	(89,513)	-	(89,513)
Payments to Suppliers	(529,889)	(3,616)	(533,505)
Net Cash Provided/(Used) by Operating Activities	(310,638)	(339)	(310,977)
Cash Flows From Noncapital Financing Activities:			
Cash Received From State Reimbursements	7,609	-	7,609
Cash Received From Federal Reimbursements	252,241	-	252,241
Net Cash Provided by Noncapital Financing Activities	259,850	-	259,850
Cash Flows From Investing Activities:			
Interest	244	-	244
Transfer from General Fund	-	2,000	2,000
Net Cash Provided from Investing Activities	244	2,000	2,244
Net Increase/(Decrease) in Cash & Cash Equivalents	(50,544)	1,661	(48,883)
Balances - Beginning of Year	96,271	(415)	95,856
Balances - Ending of Year	\$ 45,727	\$ 1,246	\$ 46,973

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

Operating Income/(Loss)	\$ (379,305)	\$ (339)	\$ (379,644)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
USDA Commodities	68,325	-	68,325
Depreciation Expense	1,946	-	1,946
Change in Assets & Liabilities: (Increase)/Decrease in Inventory	(1,604)	-	(1,604)
Total Adjustments	68,667	-	68,667
Net Cash Provided/(Used) by Operating Activities	\$ (310,638)	\$ (339)	\$ (310,977)

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Internal Service Fund

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**SOUTHERN REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	SELF INSURANCE FUND	WORKERS COMPENSATION RESERVE	TOTAL
Cash on Hand with Fiscal Agents	\$ 2,673,964	\$ -	\$ 2,673,964
Cash and Cash Equivalents	-	63,028	63,028
	<hr/>		
Total Current Assets	2,673,964	63,028	2,736,992
	<hr/>		
Total Assets	2,673,964	63,028	2,736,992
	<hr/>		
LIABILITIES			
Accrued Liability for Insurance Claims	1,062,662	62,599	1,125,261
	<hr/>		
Total Liabilities	1,062,662	62,599	1,125,261
	<hr/>		
NET POSITION			
Unreserved Net Position	1,611,302	429	1,611,731
	<hr/>		
Total Net Position	\$ 1,611,302	\$ 429	\$ 1,611,731
	<hr/> <hr/>		

**SOUTHERN REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES &
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	SELF INSURANCE FUND	WORKERS COMPENSATION RESERVE	TOTAL
Operating Revenues:			
Charges for:			
Interfund Services Provided	\$ 10,031,973	\$ 30,767	\$ 10,062,740
Total Operating Revenues	<u>10,031,973</u>	<u>30,767</u>	<u>10,062,740</u>
Investment Earnings:			
Interest	-	99	99
Net Investment Earnings	-	99	99
Total Additions	<u>10,031,973</u>	<u>30,866</u>	<u>10,062,839</u>
Operating Expenses:			
Insurance Claims	9,756,574	30,767	9,787,341
Refund of Claims Paid	1,006,422	-	1,006,422
Total Operating Expenses	<u>10,762,996</u>	<u>30,767</u>	<u>10,793,763</u>
Change in Net Position	(731,023)	99	(730,924)
Net Position - Beginning of Year	<u>2,342,325</u>	<u>330</u>	<u>2,342,655</u>
Net Position - End of Year	<u>\$ 1,611,302</u>	<u>\$ 429</u>	<u>\$ 1,611,731</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	SELF INSURANCE FUND	WORKERS COMPENSATION RESERVE	TOTAL
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 10,031,973	\$ 30,767	\$ 10,062,740
Cash Paid to Suppliers	(10,762,996)	(61,334)	(10,824,330)
Cash Received from Interest Earnings	-	99	99
Net Cash Flows From Operating Activities	(731,023)	(30,468)	(761,491)
Net Change in Cash & Cash Equivalents	(731,023)	(30,468)	(761,491)
Cash Balance - Beginning of Year	3,404,987	93,496	3,498,483
Cash Balance - End of Year	\$ 2,673,964	\$ 63,028	\$ 2,736,992

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

Operating Income	\$ (731,023)	\$ 99	\$ (730,924)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:			
Increase/(Decrease) in Accrued Liabilities for Insurance Claims	-	(30,567)	(30,567)
Total Adjustments	-	(30,567)	(30,567)
Net Cash Flows From Operating Activities	\$ (731,023)	\$ (30,468)	\$ (761,491)

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H. Fiduciary Fund

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**SOUTHERN REGIONAL SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTAL
	SCHOLARSHIP TRUST FUND	UNEMPLOYMENT FUND	STUDENT ACTIVITIES	PAYROLL	
Cash & Cash Equivalents	\$ 126,431	\$ 69,308	\$ 550,540	\$ 348,497	\$ 1,094,776
Total Assets	126,431	69,308	550,540	348,497	1,094,776
LIABILITIES					
Accounts Payable	-	29,077	-	-	29,077
Interfund Payable	-	-	-	95	95
Due to Student Groups	-	-	550,540	-	550,540
Payroll Deductions & Withholdings	-	-	-	348,402	348,402
Total Liabilities	-	29,077	550,540	348,497	928,114
NET POSITION					
Reserved for:					
Scholarships	126,431	-	-	-	126,431
Unemployment Claims	-	40,231	-	-	40,231
Total Net Position	\$ 126,431	\$ 40,231	\$ -	\$ -	\$ 166,662

**SOUTHERN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		TOTAL
	SCHOLARSHIP FUND	UNEMPLOYMENT TRUST	
Local Sources:			
Contributions	\$ 101,898	\$ 47,125	\$ 149,023
Total Contributions	101,898	47,125	149,023
Investment Earnings:			
Interest - Checking	-	62	62
Net Investment Earnings	-	62	62
Total Additions	101,898	47,187	149,085
DEDUCTIONS			
Contributions	-	48,885	48,885
Scholarships Awarded	95,375	-	95,375
Total Deductions	95,375	48,885	144,260
Change in Net Position	6,523	(1,698)	4,825
Net Position - Beginning of the Year	119,908	41,929	161,837
Net Position - End of the Year	\$ 126,431	\$ 40,231	\$ 166,662

**SOUTHERN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Middle School	\$ 241,953	\$ 342,758	\$ 374,020	\$ 210,691
High School	314,741	1,113,407	1,088,299	339,849
Total Assets	\$ 556,694	\$ 1,456,165	\$ 1,462,319	\$ 550,540
LIABILITIES				
Payable to Student Groups	\$ 556,694	\$ 1,456,165	\$ 1,462,319	\$ 550,540
Total Liabilities	\$ 556,694	\$ 1,456,165	\$ 1,462,319	\$ 550,540

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 250,109	\$ 35,987,801	\$ 35,889,413	\$ 348,497
Interfund Receivable	15,711	-	15,711	-
Total Assets	\$ 265,820	\$ 35,987,801	\$ 35,905,124	\$ 348,497
LIABILITIES				
Payroll Deductions & Withholdings	\$ 265,820	\$ 35,987,706	\$ 35,905,124	\$ 348,402
Interfund Payable	-	95	-	95
Total Liabilities	\$ 265,820	\$ 35,987,801	\$ 35,905,124	\$ 348,497

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I. Long-Term Debt

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**SOUTHERN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE		BALANCE JUNE 30, 2015	
						JULY 1, 2014	ISSUED		
School District Refunding Bond	06/09/12	\$ 6,510,000	09/01/2015	1,565,000	2.50%	\$ 4,710,000	\$ -	\$ 1,625,000	
			09/01/2016	1,520,000	2.50%			\$ 3,085,000	
Total						\$ 4,710,000	\$ -	\$ 1,625,000	\$ 3,085,000

**SOUTHERN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
Copiers	4.95%	\$ 647,664	\$ 243,424	\$ -	\$ 170,188	\$ 73,236
Essential Equipment	1.33%	\$ 1,188,525	-	1,188,525	-	1,188,525
Total		\$	\$ 243,424	\$ 1,188,525	\$ 170,188	\$ 1,261,761

**SOUTHERN REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,693,882	\$ -	\$ 1,693,882	\$ 1,693,882	\$ -
Miscellaneous	-	-	-	7	7
Total Revenues	1,693,882	-	1,693,882	1,693,889	7
Expenditures					
Regular Debt Service:					
Interest	93,375	-	93,375	93,375	-
Redemption of Principal	1,625,000	-	1,625,000	1,625,000	-
Total Expenditures	1,718,375	-	1,718,375	1,718,375	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(24,493)	-	(24,493)	(24,486)	7
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(24,493)	-	(24,493)	(24,486)	7
Fund Balance, July 1	24,500	-	24,500	24,500	-
Fund Balance, June 30	\$ 7	\$ -	\$ 7	\$ 14	\$ 7

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STATISTICAL SECTION (Unaudited)

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SOUTHERN REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 23,371,388	\$ 2,362,258	\$ 23,912,510	\$ 19,955,273	\$ 19,623,553	\$ 18,919,708	\$ 12,259,741	\$ 11,319,136	\$ 14,020,818	\$ 12,162,969
Restricted:										
Debt Service	(31,269)	(12,042)	112,544	-	(159,536)	(182,062)	(204,324)	(228,380)	(254,224)	166,079
Capital Projects	121,775	15,900	1,230,305	-	-	-	-	-	-	584,916
Other	9,278,889	6,259,328	4,299,332	5,994,275	5,085,909	-	-	-	-	(4,859)
Unrestricted	(18,250,930)	206,634	25,718	400,501	1,017,760	6,559,978	9,326,450	7,514,009	3,961,306	966,447
Total Governmental Activities	\$ 14,489,853	\$ 8,832,078	\$ 29,580,409	\$ 26,350,049	\$ 25,567,686	\$ 25,297,624	\$ 21,381,867	\$ 18,604,765	\$ 17,727,900	\$ 13,875,552
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 27,920	\$ 29,866	\$ 31,812	\$ 41,860	\$ 89,398	\$ 105,298	\$ 128,032	\$ 149,215	\$ 156,226	\$ 202,494
Unrestricted	123,510	128,761	180,062	167,068	173,061	215,564	222,352	306,393	311,560	327,909
Total Business-Type Activities	\$ 151,430	\$ 158,627	\$ 211,874	\$ 208,928	\$ 262,459	\$ 320,862	\$ 350,384	\$ 455,608	\$ 467,786	\$ 530,403
Government-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 23,399,308	\$ 23,722,124	\$ 23,944,322	\$ 19,997,133	\$ 19,997,133	\$ 19,712,951	\$ 19,025,006	\$ 12,387,773	\$ 11,468,351	\$ 14,177,044
Restricted	9,369,395	6,263,186	5,642,181	5,994,275	5,994,275	4,926,373	(182,062)	(204,324)	(228,380)	(254,224)
Unrestricted	(18,127,420)	335,395	205,780	567,569	567,569	1,190,821	6,775,542	9,548,802	7,820,402	4,272,866
Total Government-Wide Net Position	\$ 14,641,283	\$ 30,320,705	\$ 29,792,283	\$ 26,558,977	\$ 26,558,977	\$ 25,830,145	\$ 25,618,486	\$ 21,732,251	\$ 19,060,373	\$ 18,195,686

**SOUTHERN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 18,489,286	\$ 19,091,978	\$ 15,030,411	\$ 14,372,685	\$ 17,101,417	\$ 17,959,348	\$ 16,704,092	\$ 16,698,931	\$ 17,349,638	\$ 17,876,455
Special Education	7,049,052	7,990,020	5,446,454	5,307,101	6,606,706	5,936,106	6,568,260	5,330,143	5,704,436	5,604,884
Basic Skills/Remedial	133,320	149,866	88,855	88,240	193,948	213,258	160,116	78,422	73,379	108,324
Other Special Education	1,505,355	1,466,934	1,450,913	1,397,295	1,409,541	1,642,053	1,615,605	1,483,444	1,555,701	1,583,441
Support Services:										
Tuition Charges	318,069	511,071	767,233	600,243	493,045	801,509	704,799	844,710	1,537,342	1,728,230
Student & Instruction Related Services	5,808,533	5,644,050	4,182,942	4,055,767	5,180,511	5,286,016	4,510,232	4,070,170	4,408,113	4,505,788
School Administrative Services	2,080,591	1,946,543	2,055,092	2,001,903	2,695,774	2,609,606	2,942,073	2,727,577	2,802,857	2,813,181
General & Business Administrative Services	916,905	880,399	770,084	782,126	938,972	877,920	916,877	1,194,416	1,091,227	1,129,606
Plant Operations & Maintenance	5,545,534	5,286,919	4,509,825	4,426,510	6,096,939	6,705,086	6,481,944	6,791,713	6,194,119	6,099,486
Central Services	686,429	709,002	553,504	517,561	660,822	652,229	652,395	635,437	659,107	693,228
Other Administrative Services	434,643	411,896	359,949	369,516	403,129	178,076	192,234	263,343	318,356	202,328
Pupil Transportation	4,113,937	4,399,307	2,949,555	2,937,411	4,423,837	3,812,409	3,881,230	4,430,665	4,120,337	3,594,685
Unallocated Benefits	23,862,884	17,019,824	26,833,248	25,368,348	6,104,476	6,157,966	5,461,160	6,573,247	7,043,369	5,173,897
Unallocated Compensated Absences	-	-	-	(109,274)	(109,274)	34,223	(182,436)	(1,028,827)	77,569	377,353
Unallocated Other Deletions & Retirements of Capital Assets	560,105	102,258	(1,212,204)	663,525	(17,173)	-	129,689	3,651,909	-	-
Unallocated Depreciation	1,562,443	2,022,111	1,335,705	1,434,140	1,423,939	1,380,963	1,527,325	1,465,904	2,022,862	1,500,000
Special Schools	-	-	89,403	-	89,403	413,181	402,094	382,280	396,240	423,792
Interest and Charges on Long-Term Debt	77,262	104,369	142,177	327,649	490,892	557,425	625,467	698,537	777,800	866,875
Amortization of Debt Issuance Costs	-	-	7,059	323,334	64,666	64,667	59,808	64,667	64,665	64,667
Total Governmental Activities Expenses	73,144,348	67,736,747	67,736,747	65,270,802	64,973,354	54,251,570	55,282,041	53,352,964	56,356,688	56,197,317
Business-Type Activities:										
Food Service/Community Education	1,050,833	1,127,798	1,054,239	1,136,325	1,178,194	1,117,869	1,087,997	1,011,984	1,063,677	1,058,527
Total Business-Type Activities Expense	1,050,833	1,127,798	1,054,239	1,136,325	1,178,194	1,117,869	1,087,997	1,011,984	1,063,677	1,058,527
Total Government-Wide Expenses	\$ 74,195,181	\$ 68,864,545	\$ 68,790,986	\$ 66,407,127	\$ 66,151,548	\$ 55,369,439	\$ 56,370,038	\$ 54,364,948	\$ 57,420,365	\$ 57,255,844
Program Revenues:										
Governmental Activities:										
Regular Instruction	\$ 818,469	\$ 784,400	\$ 772,617	\$ 676,970	\$ 846,425	\$ 1,238,802	\$ 597,982	\$ 1,020,084	\$ 779,651	\$ 865,612
School Administrative Services	69,576	104,444	103,104	117,634	127,816	77,179	77,730	154,771	48,927	86,653
Unallocated Benefits	9,675,451	4,040,793	4,529,817	-	-	-	-	-	-	-
Charges for Services:										
Unallocated Benefits	10,062,740	10,159,309	10,284,412	9,625,976	284,407	-	-	-	-	-
Total Governmental Activities Program Revenues	20,626,236	15,088,946	15,689,950	10,420,580	1,258,648	1,315,981	675,712	1,174,855	828,578	952,265
Business-Type Activities:										
Charges for Services:										
Food Service/Community Education	671,189	729,009	736,254	767,694	844,403	822,015	797,262	787,857	803,500	824,848
Operating Grants & Contributions	329,979	336,154	315,712	295,050	273,139	266,332	229,081	203,366	200,737	235,409
Total Business-Type Activities Program Revenues	1,001,168	1,065,163	1,051,966	1,062,744	1,117,542	1,088,347	1,026,343	991,223	1,004,237	1,060,257
Total Government-Wide Program Revenues	\$ 21,627,404	\$ 16,154,109	\$ 16,741,916	\$ 11,483,324	\$ 2,376,190	\$ 2,404,328	\$ 1,702,055	\$ 2,166,078	\$ 1,832,815	\$ 2,012,522

**SOUTHERN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue:										
Governmental Activities	\$ (52,518,112)	\$ (52,647,801)	\$ (52,046,797)	\$ (54,850,222)	\$ (63,714,706)	\$ (52,935,589)	\$ (54,606,329)	\$ (52,178,109)	\$ (55,528,110)	\$ (55,245,052)
Business-Type Activities	(49,665)	(62,635)	(2,273)	(73,381)	(60,652)	(29,522)	(61,654)	(20,761)	(59,440)	1,730
Total Government-Wide Net Expense	\$ (52,567,777)	\$ (52,710,436)	\$ (52,049,070)	\$ (54,923,803)	\$ (63,775,358)	\$ (52,965,111)	\$ (54,667,983)	\$ (52,198,870)	\$ (55,587,550)	\$ (55,243,322)

General Revenues & Other Changes in Net Position:

Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 42,545,911	\$ 40,578,741	\$ 39,748,572	\$ 38,969,188	\$ 38,205,086	\$ 36,735,660	\$ 37,110,642	\$ 36,610,642	\$ 34,866,771	\$ 33,256,225
Taxes Levied for Debt Service	1,693,882	1,718,374	1,999,925	2,081,700	2,172,874	2,259,647	2,349,491	2,439,263	2,321,479	2,649,388
Federal & State Aid Not Restricted	2,736,972	2,368,375	2,277,711	5,669,425	4,515,607	6,460,768	5,904,076	7,684,721	7,748,012	5,809,844
Tuition Received	7,195,290	7,557,267	7,549,689	7,358,075	7,223,807	7,797,202	8,546,745	7,861,382	9,459,071	11,446,113
Transportation Fees	971,960	938,127	978,794	936,940	743,064	638,431	1,054,288	777,852	698,431	605,774
Investment Earnings	3,567	2,191	2,318	1,247	7,138	6,935	15,003	7,413	5,807	-
Adjustment of Prior Year Capital Assets	-	-	83,344	(59,333)	(39,473)	3,624,604	-	-	-	-
Unallocated Insurance Refund Proceeds	-	(2,000)	-	(15,536)	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	65,815	126,615	170,859	393,431	434,881	358,570	474,109	677,425	926,785	610,704
Total Governmental Activities	\$ 55,213,397	\$ 53,287,690	\$ 52,811,212	\$ 55,335,137	\$ 53,262,984	\$ 57,881,817	\$ 55,454,354	\$ 56,058,698	\$ 56,026,356	\$ 54,378,048

Business-Type Activities:

Investment Earnings	244	335	458	44	2,249	-	1,905	8,583	16,638	13,369
Revaluation of Capital Assets	-	-	-	(29,403)	-	-	-	-	-	-
Guaranteed Profit	42,224	6,523	4,761	33,873	-	-	-	-	-	-
Transfer	-	2,000	-	15,536	-	-	-	-	-	-
Total Business-Type Activities	\$ 42,468	\$ 8,858	\$ 5,219	\$ 20,050	\$ 2,249	\$ -	\$ 1,905	\$ 8,583	\$ 16,638	\$ 13,369

Total Government-Wide

Total Government-Wide	\$ 55,255,865	\$ 53,296,548	\$ 52,816,431	\$ 55,355,187	\$ 53,265,233	\$ 57,881,817	\$ 55,456,259	\$ 56,067,281	\$ 56,042,994	\$ 54,391,417
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Change in Net Position:

Governmental Activities	\$ 2,695,285	\$ 639,889	\$ 764,415	\$ 484,915	\$ (10,451,722)	\$ 4,946,228	\$ 848,025	\$ 3,880,589	\$ 498,246	\$ (867,004)
Business-Type Activities	(7,197)	(53,777)	2,946	(53,531)	(58,403)	(29,522)	(59,749)	(12,178)	(42,802)	15,099
Total Government-Wide	\$ 2,688,088	\$ 586,112	\$ 767,361	\$ 431,384	\$ (10,510,125)	\$ 4,916,706	\$ 788,276	\$ 3,868,411	\$ 455,444	\$ (851,905)

**SOUTHERN REGIONAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 9,278,889	\$ 6,259,328	\$ 4,299,332	\$ 5,994,275	\$ 5,176,587	\$ 7,380,221	\$ 9,699,507	\$ 8,696,138	\$ 5,640,967	\$ 3,404,694
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	430,164	-	-	-	-	-	-	-	-	-
Unreserved	1,102,947	1,679,874	2,131,005	2,520,396	3,098,703	1,474,225	1,822,521	1,136,077	1,602,706	1,566,125
Total General Fund	\$ 10,812,000	\$ 7,939,202	\$ 6,430,337	\$ 8,514,671	\$ 8,275,290	\$ 8,854,446	\$ 11,522,028	\$ 9,832,214	\$ 7,243,673	\$ 4,970,819
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund	\$ 121,775	\$ 15,900	\$ 1,230,305	\$ -	\$ -	\$ -	\$ -	\$ 203	\$ 24,710	\$ 358,304
Debt Service Fund	14	24,500	112,544	1	406	13	151	178	59	166,079
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	(4,859)	(4,859)	(4,859)
Capital Projects Fund	-	-	-	-	-	327,858	327,858	327,655	522,971	226,612
Total All Other Governmental Funds	\$ 121,789	\$ 40,400	\$ 1,342,849	\$ 1	\$ 406	\$ 327,871	\$ 328,009	\$ 323,177	\$ 542,881	\$ 746,136

**SOUTHERN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax Levy	\$ 44,239,793	\$ 42,297,115	\$ 41,748,497	\$ 41,050,888	\$ 40,377,960	\$ 38,995,307	\$ 39,460,133	\$ 39,049,905	\$ 37,188,250	\$ 35,905,613
Tuition Charges	7,195,290	7,557,267	7,549,689	7,358,075	7,223,807	7,797,202	8,546,745	7,861,382	9,459,071	11,446,113
Transportation Fees	971,960	938,127	978,794	936,940	743,064	638,431	1,054,288	777,852	698,431	605,774
Interest Earnings	3,468	2,120	2,103	1,203	7,138	6,935	16,118	7,413	5,807	-
Miscellaneous	65,815	126,615	170,859	393,431	434,881	358,570	472,994	677,425	926,785	610,704
State Sources	7,316,222	6,397,356	6,775,706	5,562,022	4,504,761	6,473,361	5,914,126	8,145,088	7,883,263	5,932,961
Federal Sources	907,128	900,656	907,543	902,007	985,087	1,303,388	665,662	714,488	693,327	829,148
Total Revenue	60,699,676	58,219,256	58,133,191	56,204,566	54,276,698	55,573,194	56,130,066	57,233,553	56,854,934	55,330,313
Expenditures:										
Instruction:										
Regular Instruction	18,489,286	19,091,978	15,030,411	14,372,685	17,101,417	17,959,348	16,704,092	16,698,931	17,349,638	17,876,455
Special Education Instruction	7,049,052	7,990,020	5,446,454	5,307,101	6,606,706	5,936,106	6,568,260	5,330,143	5,704,436	5,604,884
Basic Skills/Remedial Instruction	133,320	149,866	88,855	88,240	193,948	213,258	160,116	78,422	73,379	108,324
Other Instruction	1,505,355	1,466,934	1,450,913	1,397,295	1,409,541	1,642,053	1,615,605	1,483,444	1,555,701	1,583,441
Support Services:										
Tuition	318,069	511,071	767,233	600,243	493,045	801,509	704,799	844,710	1,537,342	1,728,230
Student & Instruction Related Services	5,808,533	5,644,050	4,182,942	4,055,767	5,180,511	5,286,016	4,510,232	4,070,170	4,408,113	4,505,788
School Administrative Services	2,080,591	1,946,543	2,055,092	2,001,903	2,695,774	2,609,606	2,942,073	2,727,577	2,802,857	2,813,181
General & Business Administration Services	916,905	880,399	770,084	782,126	938,972	877,920	916,877	1,194,416	1,091,227	1,129,606
Plant Operations & Maintenance	5,677,472	5,411,015	4,639,831	4,513,592	6,096,939	6,705,086	6,481,944	6,791,713	6,194,119	6,099,486
Pupil Transportation	4,113,937	4,399,507	2,949,555	2,937,411	4,423,837	3,812,409	3,881,230	4,430,665	4,120,537	3,594,685
Other Support Services	1,121,072	1,120,898	913,453	887,077	1,063,951	830,305	844,629	898,780	977,463	895,556
Unallocated Benefits	7,542,305	6,842,199	17,803,537	16,132,166	5,898,308	6,157,966	5,461,160	6,573,247	7,043,369	5,173,897
Special Schools	-	-	-	-	3,559	413,181	402,094	382,280	396,240	423,792
Capital Outlay	1,271,217	1,244,935	882,083	1,434,300	817,942	2,736,326	897,619	920,954	2,369,372	5,375,066
Debt Service:										
Principal	1,625,000	1,680,000	1,755,000	1,645,000	1,660,000	1,680,000	1,700,000	1,715,000	1,680,000	1,615,000
Interest & Other Charges	93,375	126,425	139,214	442,812	513,025	579,825	649,550	724,262	807,700	895,525
Total Expenditures	57,745,489	58,505,840	58,874,677	56,597,718	55,097,475	58,240,914	54,440,280	54,864,714	58,111,493	59,422,916
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,954,187	(286,584)	(741,486)	(393,152)	(820,777)	(2,667,720)	1,689,786	2,368,839	(1,256,559)	(4,092,603)
Other Financing Sources/(Uses):										
Proceeds from Capital Leases	-	495,000	-	647,664	-	-	-	-	-	-
Transfers in	413,730	780,928	2,868,000	5,707	5,649	1,168,691	1,115	7,413	380,763	22,531
Transfers Out	(413,730)	(782,928)	(1,434,000)	(21,243)	(91,493)	(1,168,691)	(1,115)	(7,413)	(380,763)	(22,531)
Total Other Financing Sources/(Uses)	-	493,000	1,434,000	632,128	(85,844)	-	-	-	-	-
Net Change in Fund Balances	\$ 2,954,187	\$ 206,416	\$ 692,514	\$ 238,976	\$ (906,621)	\$ (2,667,720)	\$ 1,689,786	\$ 2,368,839	\$ (1,256,559)	\$ (4,092,603)
Debt Service as a Percentage of Noncapital Expenditures	3.14%	3.26%	3.38%	3.93%	4.17%	4.24%	4.59%	4.74%	4.67%	4.87%

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	ADULT SCHOOL FEES	MISCELLANEOUS	TOTAL
2015	\$ 3,378	\$ -	\$ 65,808	\$ 69,186
2014	-	-	126,608	126,608
2013	16,404	-	147,623	164,027
2012	9,348	-	365,583	374,931
2011	69,314	-	344,144	413,458
2010	61,989	132,098	157,992	352,079
2009	63,153	113,053	296,788	472,994
2008	169,668	-	507,757	677,425
2014	218,940	-	707,845	926,785
2006	115,526	-	46,883	162,409

Source: District records

**SOUTHERN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

BARNEGAT LIGHT

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS:		NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
						TAX EXEMPT PROPERTY	TAXABLE		
2015	\$ 33,984,208	\$ 925,762,300	\$ 37,315,700	\$ 1,156,800	\$ 998,219,008	\$ 129,954,000	\$ 868,265,008	0.2000	
2014	37,240,700	919,616,400	37,246,200	1,156,800	995,260,100	129,954,000	865,306,100	0.2890	
2013	31,333,800	926,010,800	37,501,200	1,156,800	996,002,600	129,954,000	866,048,600	0.2350	
2012	32,457,400	923,358,200	40,433,400	1,156,800	997,405,800	130,734,400	866,671,400	0.2610	
2011	32,457,400	923,358,200	40,433,400	1,156,800	997,405,800	130,734,400	866,671,400	0.2590	
2010	34,515,700	920,968,900	39,078,400	1,156,800	995,719,800	139,734,400	855,985,400	0.2680	
2009	33,914,600	999,574,100	44,462,400	1,156,800	1,079,107,900	135,023,400	944,084,500	0.2670	
2008	34,576,200	991,695,500	44,492,500	1,156,800	1,071,921,000	134,992,300	936,928,700	0.2730	
2007	40,850,500	976,830,300	43,455,900	1,156,800	1,062,293,500	137,831,400	924,462,100	0.3000	
2006	45,548,100	956,864,600	43,182,900	3,939,000	1,049,534,600	137,401,400	912,133,200	1.2440	

BEACH HAVEN

2015	\$ 71,052,100	\$ 1,484,137,800	\$ 104,037,792	\$ 11,888,900	\$ 1,671,116,592	\$ 51,801,708	\$ 1,619,314,884	0.3810
2014	74,759,100	1,468,222,600	104,037,792	11,888,900	1,658,908,392	51,675,508	1,607,232,884	0.3510
2013	55,884,100	1,480,412,700	104,652,392	13,936,500	1,654,885,692	52,226,208	1,602,659,484	0.3600
2012	49,565,400	1,487,564,200	105,254,692	13,936,500	1,656,320,792	52,226,208	1,604,094,584	0.3460
2011	51,021,700	1,477,800,300	107,161,192	13,888,100	1,649,871,292	52,226,208	1,597,645,084	0.3390
2010	49,278,900	1,473,932,200	107,087,692	13,888,100	1,644,186,892	52,216,508	1,591,970,384	0.3400
2009	49,142,700	1,468,876,900	107,072,492	13,888,100	1,638,980,192	52,216,508	1,586,763,684	0.2810
2008	49,992,200	1,460,757,300	107,327,192	13,888,100	1,631,964,792	52,216,508	1,579,748,284	0.3360
2007	55,679,700	1,444,938,500	108,759,692	13,888,100	1,623,265,992	50,619,908	1,572,646,084	0.3110
2006	72,163,500	1,405,202,700	109,041,292	13,888,100	1,600,295,592	50,618,408	1,549,677,184	0.2190

**SOUTHERN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

HARVEY CEDARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS:		NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
						TAX EXEMPT PROPERTY			
2015	\$ 18,457,500	\$ 1,262,792,400	\$ 14,062,600	\$ -	\$ 1,295,312,500	\$ 43,819,900	\$ 1,251,492,600	0.3300	
2014	20,466,200	1,199,702,200	14,340,500	-	1,234,508,900	43,819,900	1,190,689,000	0.3020	
2013	14,521,800	1,206,769,000	14,340,500	-	1,235,631,300	43,819,900	1,191,811,400	0.2990	
2012	18,826,600	1,202,153,700	14,184,500	-	1,235,164,800	43,819,900	1,191,344,900	0.2160	
2011	16,734,300	1,205,071,100	14,088,400	-	1,235,893,800	42,537,700	1,193,356,100	0.2650	
2010	21,113,700	1,194,429,000	14,646,100	-	1,230,188,800	42,537,700	1,187,651,100	0.2080	
2009	31,720,100	1,326,448,600	14,316,900	-	1,372,485,600	45,456,800	1,327,028,800	0.2120	
2008	26,646,700	1,326,570,400	14,316,900	-	1,367,534,000	45,456,800	1,322,077,200	0.2150	
2007	31,069,300	1,316,938,800	14,316,900	-	1,362,325,000	46,156,800	1,316,168,200	0.2750	
2006	34,426,500	1,306,845,100	14,837,400	-	1,356,109,000	46,210,000	1,309,899,000	0.3060	

LONG BEACH TOWNSHIP

2015	\$ 259,653,500	\$ 7,294,716,515	\$ 141,317,600	\$ 5,015,200	\$ 7,700,702,815	\$ 93,032,400	\$ 7,607,670,415	0.3160
2014	275,901,100	7,186,784,875	145,320,900	5,015,200	7,613,022,075	92,443,600	7,520,578,475	0.3070
2013	169,665,200	7,250,730,665	151,950,700	5,015,200	7,577,361,765	94,179,600	7,483,182,165	0.2860
2012	176,536,165	7,228,634,700	155,483,300	5,015,200	7,565,669,365	92,331,300	7,473,338,065	0.2780
2011	187,947,900	7,183,352,800	156,909,400	5,015,200	7,533,225,300	93,793,400	7,439,431,900	0.2560
2010	164,934,200	7,178,093,700	158,656,500	5,015,200	7,506,699,600	93,788,800	7,412,910,800	0.2510
2009	175,406,200	7,112,752,800	162,314,800	5,015,200	7,455,489,000	94,311,000	7,361,178,000	0.2580
2008	206,968,200	7,015,508,900	158,503,300	7,718,900	7,388,699,300	94,644,700	7,294,054,600	0.2570
2007	246,077,300	6,868,844,500	157,261,400	8,736,200	7,280,919,400	93,353,100	7,187,566,300	0.2550
2006	317,454,700	6,658,170,700	155,526,800	8,736,200	7,139,888,400	93,353,100	7,046,535,300	0.5780

**SOUTHERN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

SHIP BOTTOM BOROUGH

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS:		NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
						TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE		
2015	\$ 41,059,900	\$ 961,920,500	\$ 114,620,700	\$ 2,659,900	\$ 1,120,261,000	\$ 52,352,100	\$ 1,067,908,900	0.2470	
2014	35,066,700	950,796,400	115,001,600	2,639,900	1,103,504,600	51,821,300	1,051,683,300	0.2600	
2013	23,964,400	961,839,400	115,859,800	2,639,900	1,104,303,500	52,097,600	1,052,205,900	0.2530	
2012	21,665,100	970,377,500	121,454,600	2,659,900	1,116,157,100	52,444,000	1,063,713,100	0.2690	
2011	22,186,600	964,525,300	121,715,700	2,659,900	1,111,087,500	51,210,800	1,059,876,700	0.2560	
2010	24,532,400	958,281,800	122,299,000	2,659,900	1,107,773,100	50,657,100	1,057,116,000	0.2870	
2009	22,560,300	951,354,650	122,914,300	2,659,900	1,099,489,150	50,053,500	1,049,435,650	0.2870	
2008	23,365,200	943,318,000	120,331,700	2,659,900	1,089,674,800	49,822,100	1,039,852,700	0.2880	
2007	26,689,500	918,975,200	118,167,100	4,259,700	1,068,091,500	50,292,700	1,017,798,800	0.2840	
2006	31,814,800	890,448,600	118,118,700	5,902,900	1,046,285,000	50,349,900	995,935,100	0.7400	

STAFFORD TOWNSHIP

2015	\$ 81,794,000	\$ 3,207,651,650	\$ 501,336,900	\$ 5,301,000	\$ 3,796,083,550	\$ 381,306,101	\$ 3,414,777,449	0.9510
2014	83,046,000	3,072,774,600	503,958,200	5,289,100	3,665,067,900	380,220,251	3,284,847,649	0.9700
2013	85,750,100	3,000,279,200	504,026,100	5,289,100	3,595,344,500	386,615,851	3,208,728,649	0.9550
2012	119,809,000	3,787,904,100	459,327,500	4,965,400	4,372,006,000	384,506,851	3,987,499,149	0.8120
2011	124,154,700	3,779,863,900	455,476,000	4,965,400	4,364,460,000	381,729,751	3,982,730,249	0.7850
2010	131,655,800	3,761,987,100	456,964,400	4,965,400	4,355,572,700	368,266,900	3,987,305,800	0.7690
2009	144,474,100	3,736,655,000	452,992,500	4,965,400	4,339,087,000	365,410,600	3,973,676,400	0.7770
2008	158,577,700	3,703,660,100	414,723,900	4,965,400	4,281,927,100	283,626,900	3,998,300,200	0.7700
2007	164,068,700	3,671,707,400	402,267,300	4,965,400	4,243,008,800	278,042,500	3,964,966,300	0.7700
2006	172,223,900	3,625,285,400	388,225,500	4,693,600	4,190,428,400	277,659,800	3,912,768,600	0.6540

**SOUTHERN REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS**

SURF CITY

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	TOTAL ASSESSED VALUE	LESS:			PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
					TAX EXEMPT PROPERTY					
2015	\$ 27,429,100	\$ 1,448,886,900	\$ 80,490,500	\$ 1,556,806,500	\$ 50,197,700	\$ -	\$ -	\$ 1,506,608,800	0.2740	
2014	26,178,900	1,441,394,000	79,948,100	1,547,521,000	50,197,700	-	-	1,497,323,300	0.2800	
2013	15,529,600	1,451,038,000	79,932,600	1,546,500,200	49,753,200	-	-	1,496,747,000	0.2790	
2012	16,987,400	1,443,657,500	80,412,000	1,541,056,900	49,746,000	-	-	1,491,310,900	0.2740	
2011	16,776,800	1,437,439,400	80,408,800	1,534,625,000	49,746,000	-	-	1,484,879,000	0.3110	
2010	18,820,400	1,426,680,200	80,440,400	1,525,941,000	40,746,000	-	-	1,485,195,000	0.2740	
2009	14,539,300	1,424,538,400	80,649,900	1,519,727,600	48,520,100	-	-	1,471,207,500	0.2900	
2008	13,625,900	1,410,648,800	81,718,900	1,505,993,600	48,496,400	-	-	1,457,497,200	0.2980	
2007	20,634,500	1,388,038,500	81,718,900	1,490,391,900	46,036,000	-	-	1,444,355,900	0.2630	
2006	19,589,100	1,368,323,700	86,682,000	1,474,594,800	43,036,000	-	-	1,431,558,800	0.7270	

**SOUTHERN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

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 BARNEGAT LIGHT	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2015	0.0380	0.1620	0.2000	0.2220	0.3570	0.0390	0.0130	0.8310
2014	0.0450	0.2440	0.2890	0.2050	0.3570	0.0400	0.0130	0.9040
2013	0.0430	0.1920	0.2350	0.1850	0.3410	0.0400	0.0130	0.8140
2012	0.0430	0.2180	0.2610	0.1750	0.3330	0.0380	0.0140	0.8210
2011	0.0410	0.2180	0.2590	0.1650	0.3060	0.0350	0.0140	0.7790
2010	0.0410	0.2270	0.2680	0.1450	0.2790	0.0330	0.0130	0.7380
2009	0.0430	0.2240	0.2670	0.1350	0.2940	0.0350	0.0140	0.7450
2008	0.0400	0.2330	0.2730	0.1340	0.2720	0.0330	0.0130	0.7250
2007	0.0490	0.2510	0.3000	0.1470	0.3160	0.0340	0.0120	0.8090
2006	0.9590	0.2850	1.2440	0.0500	0.3010	0.0330	0.0100	1.6380

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		BOROUGH OF BEACH HAVEN	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2015	0.1020	0.2790	0.3810	0.4510	0.4220	N/A	0.0150	1.2690
2014	0.1010	0.2500	0.3510	0.4260	0.4090	N/A	0.0140	1.2000
2013	0.0900	0.2700	0.3600	0.3460	0.3880	N/A	0.0150	1.1090
2012	0.0890	0.2570	0.3460	0.3710	0.3670	N/A	0.0150	1.0990
2011	0.0850	0.2540	0.3390	0.3510	0.3480	N/A	0.0160	1.0540
2010	0.0820	0.2580	0.3400	0.3380	0.3370	N/A	0.0160	1.0310
2009	0.0160	0.2650	0.2810	0.3310	0.3310	N/A	0.0160	0.9590
2008	0.0770	0.2590	0.3360	0.3230	0.3250	N/A	0.0160	1.0000
2007	0.0770	0.2340	0.3110	0.3080	0.3140	N/A	0.0120	0.9450
2006	N/A	0.2190	0.2190	0.2890	0.2900	N/A	N/A	0.7980

Source: Municipal Tax Collector

**SOUTHERN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	BOROUGH OF				OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		HARVEY CEDARS	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE				
2015	0.0380	0.2920	0.3300	0.2510	0.3570	0.0390	0.0120	0.9890			
2014	0.0440	0.2580	0.3020	0.2440	0.3490	0.0390	0.0120	0.9460			
2013	0.0420	0.2570	0.2990	0.2430	0.3370	0.0390	0.0130	0.9310			
2012	0.0410	0.1750	0.2160	0.2240	0.3190	0.0370	0.0130	0.8090			
2011	0.0430	0.2220	0.2650	0.2200	0.3200	0.0370	0.0400	0.8820			
2010	0.0380	0.1700	0.2080	0.2030	0.2600	0.0310	0.0120	0.7140			
2009	0.0390	0.1730	0.2120	0.1930	0.3050	0.0310	0.0120	0.7530			
2008	0.0370	0.1780	0.2150	0.1860	0.2530	0.0300	0.0120	0.6960			
2007	0.0490	0.2260	0.2750	0.1970	0.3130	0.0330	0.0120	0.8300			
2006	0.0500	0.2560	0.3060	0.1870	0.3390	N/A	N/A	0.8320			

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	TOWNSHIP OF				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		LONG BEACH	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2015	0.0410	0.2750	0.3160	0.2320	0.3820	0.0410	0.0140	0.9850
2014	0.0460	0.2610	0.3070	0.2280	0.3710	0.0410	0.0140	0.9610
2013	0.0450	0.2410	0.2860	0.2240	0.3580	0.0420	0.0140	0.9240
2012	0.0440	0.2340	0.2780	0.2210	0.3400	0.0390	0.0140	0.8920
2011	0.0420	0.2140	0.2560	0.2200	0.3120	0.0360	0.0140	0.8380
2010	0.0440	0.2070	0.2510	0.2120	0.2990	0.0350	0.0140	0.8110
2009	0.0450	0.2130	0.2580	0.2010	0.3010	0.0350	0.0140	0.8090
2008	0.0440	0.2130	0.2570	0.2030	0.3070	0.0370	0.0150	0.8190
2007	0.0450	0.2100	0.2550	0.2000	0.2850	0.0300	0.0110	0.7810
2006	N/A	0.5780	0.5780	0.3870	0.8420	N/A	N/A	1.8070

Source: Municipal Tax Collector

**SOUTHERN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL		BOROUGH OF SHIP BOTTOM		OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
					SHIP BOTTOM	COUNTY	COUNTY LIBRARY	OPEN SPACE		
2015	0.0410	0.2060	0.2470	0.2470	0.3930	0.3850	0.0420	0.0130	0.0130	1.0800
2014	0.0480	0.2120	0.2600	0.2600	0.3740	0.3880	0.0430	0.0140	0.0140	1.0790
2013	0.0470	0.2060	0.2530	0.2530	0.3630	0.3720	0.0430	0.0140	0.0140	1.0450
2012	0.0460	0.2230	0.2690	0.2690	0.3420	0.3540	0.0410	0.0150	0.0150	1.0210
2011	0.0450	0.2110	0.2560	0.2560	0.3200	0.3350	0.0380	0.0150	0.0150	0.9640
2010	0.0480	0.2390	0.2870	0.2870	0.3050	0.3250	0.0390	0.0150	0.0150	0.9710
2009	0.0480	0.2390	0.2870	0.2870	0.3050	0.3250	0.0390	0.0150	0.0150	0.9710
2008	0.0460	0.2420	0.2880	0.2880	0.2790	0.3150	0.0380	0.0150	0.0150	0.9350
2007	0.0460	0.2380	0.2840	0.2840	0.2520	0.2960	0.0320	0.0110	0.0110	0.8750
2006	0.1160	0.6240	0.7400	0.7400	0.5990	0.7860	N/A	N/A	N/A	2.1250

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL		TOWNSHIP OF STAFFORD		OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
					STAFFORD	COUNTY	COUNTY LIBRARY	OPEN SPACE		
2015	0.7280	0.2230	0.9510	0.9510	0.8600	0.3610	0.0390	0.0120	0.0120	2.2470
2014	0.7340	0.2360	0.9700	0.9700	0.8740	0.3600	0.0410	0.0130	0.0130	2.3020
2013	0.7170	0.2380	0.9550	0.9550	0.8740	0.3480	0.0400	0.0150	0.0130	2.2450
2012	0.5980	0.2140	0.8120	0.8120	0.7170	0.3160	0.0360	0.0130	0.0130	1.9070
2011	0.5840	0.2010	0.7850	0.7850	0.6740	0.3270	0.0360	0.0140	0.0100	1.8460
2010	0.5750	0.1940	0.7690	0.7690	0.6450	0.3690	0.0360	0.0140	0.0100	1.8430
2009	0.5800	0.1970	0.7770	0.7770	0.6190	0.3670	0.0360	0.0140	0.0100	1.8230
2008	0.5800	0.1900	0.7700	0.7700	0.5710	0.2940	0.0350	0.0140	0.0150	1.6990
2007	0.5800	0.1900	0.7700	0.7700	0.5710	0.2940	0.0350	0.0140	0.0100	1.6940
2006	0.4830	0.1710	0.6540	0.6540	0.4940	0.2760	0.0290	0.0110	0.0100	1.4740

Source: Municipal Tax Collector

**SOUTHERN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		BOROUGH OF SURF CITY			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	OCEAN COUNTY	COUNTY LIBRARY	
2015	0.0400	0.2340	0.2740	0.3740	0.0410	0.0130	0.3740	0.0410	0.9620
2014	0.0460	0.2340	0.2800	0.3700	0.0420	0.0130	0.3700	0.0420	0.9570
2013	0.0440	0.2350	0.2790	0.3520	0.0410	0.0130	0.3520	0.0410	0.9290
2012	0.0430	0.2310	0.2740	0.3300	0.0380	0.0140	0.3300	0.0380	0.8860
2011	0.0430	0.2680	0.3110	0.3190	0.0370	0.0140	0.3190	0.0370	0.9090
2010	0.0450	0.2290	0.2740	0.3030	0.0360	0.0140	0.3030	0.0360	0.8550
2009	0.0450	0.2450	0.2900	0.3050	0.0360	0.0140	0.3050	0.0360	0.8760
2008	0.0430	0.2550	0.2980	0.3010	0.0360	0.0150	0.3010	0.0360	0.8710
2007	0.0440	0.2190	0.2630	0.2780	0.0300	0.0100	0.2780	0.0300	0.7730
2006	0.1270	0.6000	0.7270	0.8580	N/A	N/A	0.8580	N/A	2.1060

Source: Municipal Tax Collector

**SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS PRIOR**

BARNEGAT LIGHT

NOT AVAILABLE

BEACH HAVEN

NOT AVAILABLE

HARVEY CEDARS

NOT AVAILABLE

LONG BEACH TOWNSHIP

NOT AVAILABLE

SHIP BOTTOM

NOT AVAILABLE

STAFFORD TOWNSHIP

NOT AVAILABLE

SURF CITY

NOT AVAILABLE

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
BARNEGAT LIGHT**

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	N/A	N/A	N/A	N/A
2014	\$ 9,033,394	\$ 8,989,255	99.51%	N/A
2013	8,226,786	8,185,742	99.50%	N/A
2012	N/A	N/A	N/A	N/A
2011	7,691,749	7,605,666	98.88%	86,083
2010	7,808,938	7,698,120	98.58%	110,818
2009	8,068,395	7,929,413	98.28%	138,982
2008	7,994,939	7,939,196	99.30%	55,743
2007	7,523,088	7,460,699	99.17%	62,389
2006	7,407,056	7,344,096	99.15%	62,960

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
BEACH HAVEN**

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	N/A	N/A	N/A	N/A
2014	\$ 20,006,549	\$ 19,795,398	98.94%	N/A
2013	19,035,870	18,797,241	98.75%	N/A
2012	18,236,966	17,880,659	98.05%	N/A
2011	17,769,146	17,539,408	98.71%	N/A
2010	17,371,218	17,155,285	98.76%	215,933
2009	16,945,235	16,690,516	98.50%	254,719
2008	16,729,717	16,436,206	98.86%	293,511
2007	16,225,611	16,040,926	99.20%	184,685
2006	15,638,526	15,513,418	99.00%	125,108

Source: District records including the Certificate and Report of School Taxes (A4F form)

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
HARVEY CEDARS**

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	N/A	N/A	N/A	N/A
2014	\$ 11,712,952	\$ 11,650,950	99.47%	N/A
2013	11,529,197	11,469,162	99.48%	N/A
2012	10,034,847	9,958,405	99.24%	N/A
2011	10,201,237	10,144,931	99.45%	N/A
2010	10,560,989	10,499,611	99.42%	61,378
2009	9,850,287	9,774,194	99.23%	76,093
2008	9,773,856	9,735,222	99.60%	38,634
2007	9,527,362	9,484,922	99.55%	42,440
2006	9,781,320	9,726,149	99.44%	55,171

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP**

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	N/A	N/A	N/A	N/A
2014	\$ 73,776,617	\$ 73,107,882	99.09%	N/A
2013	70,332,995	69,735,972	99.15%	N/A
2012	67,798,996	67,025,265	98.86%	N/A
2011	65,387,159	64,624,595	98.83%	N/A
2010	63,104,502	62,495,084	99.03%	609,418
2009	60,760,102	60,272,524	99.20%	487,578
2008	60,086,834	59,819,055	99.55%	267,779
2007	60,225,117	59,869,587	99.41%	355,530
2006	58,062,825	57,962,245	99.35%	100,580

Source: District records including the Certificate and Report of School Taxes (A4F form)

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SHIP BOTTOM**

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	N/A	N/A	N/A	N/A
2014	\$ 12,040,990	\$ 11,596,059	96.30%	N/A
2013	11,557,481	11,200,295	96.91%	N/A
2012	11,429,990	11,070,639	96.86%	N/A
2011	10,679,937	10,770,357	100.85%	N/A
2010	10,712,758	10,417,951	97.25%	294,807
2009	10,705,745	10,402,999	97.17%	302,746
2008	10,341,359	10,049,886	97.18%	291,473
2007	10,096,701	9,882,274	97.88%	214,427
2006	9,555,717	9,357,793	97.93%	197,924

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
STAFFORD TOWNSHIP**

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	N/A	N/A	N/A	N/A
2014	\$ 84,224,610	\$ 83,415,651	99.04%	N/A
2013	81,195,429	80,583,706	99.25%	N/A
2012	83,741,041	82,562,340	98.59%	N/A
2011	82,767,985	81,776,195	98.80%	N/A
2010	80,894,390	79,963,449	98.85%	930,941
2009	78,367,591	77,567,446	98.98%	800,145
2008	76,310,697	75,574,451	99.04%	736,246
2007	73,135,121	72,473,951	99.10%	661,170
2006	68,871,220	68,132,301	98.93%	738,919

Source: District records including the Certificate and Report of School Taxes (A4F form)

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SURF CITY**

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	N/A	N/A	N/A	N/A
2014	\$ 14,916,049	\$ 14,719,626	98.68%	N/A
2013	14,412,179	14,222,065	98.68%	N/A
2012	13,725,871	13,366,369	97.38%	N/A
2011	13,869,047	13,994,357	100.90%	N/A
2010	13,929,801	13,681,809	98.22%	247,992
2009	13,038,937	12,846,008	98.52%	192,929
2008	13,271,872	13,098,924	98.70%	172,948
2007	13,078,123	12,882,453	98.50%	195,670
2006	12,037,801	11,865,758	98.57%	172,043

Source: District records including the Certificate and Report of School Taxes (A4F form)

**SOUTHERN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2015	\$ 3,085,000	\$ 1,261,761	\$ 4,346,761	N/A	N/A
2014	4,710,000	243,424	4,953,424	0.4500%	134.45
2013	4,635,000	405,770	5,040,770	0.5600%	134.46
2012	8,145,000	560,582	8,705,582	0.7800%	254.90
2011	9,760,000	-	9,760,000	0.7700%	286.25
2010	11,420,000	-	11,420,000	0.8900%	316.59
2009	13,100,000	-	13,100,000	1.0800%	367.18
2008	14,800,000	-	14,800,000	0.9500%	418.27
2007	16,515,000	-	16,515,000	1.0300%	470.23
2006	16,695,000	-	16,695,000	1.0337%	484.60

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2015	\$ 3,085,000	\$ 1,261,761	\$ 4,346,761	0.0171%	89.84
2014	4,710,000	243,424	4,953,424	0.0274%	136.66
2013	6,390,000	405,770	6,795,770	0.0345%	134.46
2012	8,145,000	560,582	8,705,582	0.0534%	254.90
2011	9,760,000	-	9,760,000	0.0534%	286.25
2010	9,760,000	-	9,760,000	0.0534%	316.59
2009	11,420,000	-	11,420,000	0.1985%	367.18
2008	14,800,000	-	14,800,000	0.2056%	418.27
2007	16,515,000	-	16,515,000	0.2360%	470.23
2006	18,195,000	-	18,195,000	0.2177%	484.60

**SOUTHERN REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Barnegat Light	\$ 615,375	100.00%	\$ 615,375
Beach Haven	8,480,966	100.00%	8,480,966
Harvey Cedars	5,831,337	100.00%	5,831,337
Long Beach Township	5,476,000	100.00%	5,476,000
Borough of Ship Bottom	1,085,000	100.00%	1,085,000
Stafford Township	55,825,000	100.00%	55,825,000
Stafford Township School District	12,869,000	100.00%	12,869,000
Ocean County General Obligation Debt	369,435,111	20.80%	76,829,312
Subtotal, Overlapping Debt			167,011,990
Southern Regional School District Direct Debt	3,085,000	100.00%	3,085,000
Total Direct & Overlapping Debt			<u>\$ 170,096,990</u>

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR										
Debt Limit	\$ 698,284,296	\$ 740,128,043	\$ 717,396,739	\$ 844,395,384	\$ 854,804,437	\$ 861,823,690	\$ 816,338,575	\$ 725,577,032	\$ 725,577,032	\$ 725,577,032	\$ 556,143,516
Total Net Debt Applicable to Limit	4,346,761	4,710,000	6,390,000	8,145,000	9,760,000	11,420,000	13,100,000	14,800,000	16,515,000	18,195,000	
Legal Debt Margin	\$ 693,937,535	\$ 735,418,043	\$ 711,006,739	\$ 836,250,384	\$ 845,044,437	\$ 850,403,690	\$ 803,238,575	\$ 710,777,032	\$ 709,062,032	\$ 537,948,516	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.62%	0.64%	0.89%	0.96%	1.14%	1.33%	1.60%	2.04%	2.28%	3.27%	

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized Valuation Basis
	\$ 18,088,468,610
	17,199,290,216
	17,083,563,406
	<u>\$ 52,371,322,232</u>
Average Equalized Valuation of Taxable Property	<u>\$ 17,457,107,411</u>
Debt Limit (4 % of Average Equalization Value)	\$ 698,284,296
Net Bonded School Debt	<u>4,346,761</u>
Legal Debt Margin	<u>\$ 693,937,535</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**SOUTHERN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
BARNEGAT LIGHT BOROUGH				
2015	580	N/A	N/A	5.3%
2014	575	25,519,075	44,381	5.0%
2013	573	24,394,329	42,573	5.0%
2012	570	24,224,430	42,499	7.4%
2011	574	25,926,341	44,933	7.3%
2010	846	34,554,870	39,677	6.9%
2009	839	34,554,870	40,201	9.2%
2008	834	32,566,624	38,816	3.9%
2007	832	41,113,730	36,742	4.5%
2006	819	38,604,552	34,463	3.4%
BEACH HAVEN BOROUGH				
2015	1,180	N/A	N/A	7.8%
2014	1,177	52,236,437	44,381	6.4%
2013	1,177	50,108,421	42,573	6.4%
2012	1,175	49,936,325	42,499	15.9%
2011	1,174	61,895,142	52,498	15.6%
2010	1,403	57,301,326	39,677	14.9%
2009	1,391	57,301,326	40,201	9.2%
2008	1,379	54,031,872	38,816	8.8%
2007	1,365	67,899,202	36,742	4.5%
2006	1,348	62,205,904	34,463	7.7%
HARVEY CEDARS BOROUGH				
2015	344	N/A	N/A	7.9%
2014	343	15,222,683	44,381	8.7%
2013	341	14,517,393	42,573	8.7%
2012	340	14,449,660	42,499	
2011	341	25,263,975	74,525	0%
2010	398	16,215,465	39,677	0%
2009	394	16,215,465	40,201	0%
2008	392	15,293,504	38,816	0%
2007	389	19,301,296	36,742	0%
2006	384	18,027,816	34,463	0%
LONG BEACH TOWNSHIP				
2015	3,060	N/A	N/A	7.3%
2014	3,062	135,894,622	44,381	4.5%
2013	3,068	130,613,964	42,573	4.5%
2012	3,062	130,131,938	42,499	11.6%
2011	3,054	193,219,320	63,020	11.4%
2010	3,578	146,143,410	39,677	10.9%
2009	3,552	146,143,410	40,201	9.2%
2008	3,530	137,680,352	38,816	6.3%
2007	3,493	173,711,664	36,742	4.5%
2006	3,451	162,111,312	34,463	5.5%

**SOUTHERN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
SHIP BOTTOM BOROUGH				
2015	1,148	N/A	N/A	6.9%
2014	1,159	51,437,579	44,381	6.4%
2013	1,158	49,299,534	42,573	6.4%
2012	1,157	49,171,343	42,499	15.6%
2011	1,155	47,732,256	41,184	15.3%
2010	1,462	59,715,390	39,677	14.7%
2009	1,451	59,715,390	40,201	9.2%
2008	1,440	55,895,040	38,816	8.6%
2007	1,426	70,853,482	36,742	4.5%
2006	1,413	66,132,888	34,463	7.6%
STAFFORD TOWNSHIP				
2015	26,809	N/A	N/A	7.1%
2014	26,936	1,195,446,616	44,381	8.1%
2013	26,949	1,147,299,777	42,573	8.1%
2012	26,643	1,132,300,857	42,499	10.3%
2011	* 26,592	845,013,850	31,690	9.4%
2010	26,818	1,095,381,210	39,677	9.5%
2009	26,491	1,095,381,210	40,201	9.2%
2008	26,260	1,019,308,160	38,816	5.3%
2007	26,076	1,294,073,116	36,742	4.5%
2006	25,514	1,196,555,736	34,463	4.3%
SURF CITY BOROUGH				
2015	1,216	N/A	N/A	7.1%
2014	1,212	53,789,772	44,381	9.2%
2013	1,207	51,385,611	42,573	9.2%
2012	1,206	51,253,794	42,499	10.9%
2011	1,206	51,681,847	42,677	10.7%
2010	1,567	64,821,015	39,677	10.2%
2009	1,559	64,821,015	40,201	9.2%
2008	1,549	60,125,984	38,816	5.9%
2007	1,540	76,269,662	36,742	4.5%
2006	1,522	71,462,448	34,463	5.5%

2011 - Data by Municipality
2002-2010 - Data by County

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

NOT AVAILABLE

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

Function/Program	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	178	180	180	180	180	185	186	189	187	210
Special Education	72	72	72	72	72	72	70	71	72	69
Support Services:										
Student & Instruction Related Services	52	52	52	52	52	52	52	52	53	56
School Administrative Services	29	29	29	29	29	30	31	31	31	32
General & Business Administrative Services	12	12	12	12	12	12	12	12	12	13
Plant Operations & Maintenance	41	42	42	42	42	42	42	40	40	40
Pupil Transportation	64	62	62	62	64	64	65	65	63	63
Business & Other Support Services	8	8	8	8	8	8	8	8	8	8
Total	456	457	457	457	459	465	466	468	466	491

Source: District Personnel Records

**SOUTHERN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

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
						MIDDLE SCHOOL	HIGH SCHOOL	SENIOR SCHOOL				
2015	2,951	\$ 54,755,897	\$ 18,555	0.28%	232	N/A	N/A	2,923	2,759	-2.47%	94.39%	
2014	2,997	55,454,480	18,503	-1.77%	234	13:1	14:1	2,997	2,830	0.63%	94.43%	
2013	2,978	56,098,380	18,838	6.83%	234	N/A	N/A	2,978	2,802	0.21%	94.09%	
2012	3,010	53,075,606	17,633	0.37%	234	N/A	N/A	2,972	2,807	1.30%	94.45%	
2011	3,013	52,924,450	17,568	-1.95%	234	N/A	N/A	2,934	2,810	-1.91%	95.77%	
2010	3,019	54,090,730	17,917	12.13%	257	N/A	N/A	2,991	2,800	-0.66%	93.61%	
2009	3,260	52,090,730	15,979	-6.16%	256	N/A	N/A	3,011	2,832	-0.86%	94.06%	
2008	3,066	52,205,629	17,027	6.95%	260	11:8	14:30	3,037	2,852	-6.50%	93.91%	
2007	3,468	55,211,602	15,920	11.10%	259	11:6	14:25	3,248	3,059	-6.93%	94.18%	
2006	3,669	52,573,908	14,329	5.40%	279	11:1	14:1	3,490	3,269	-5.93%	93.67%	

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).

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Middle School (1971, 86):										
Square Feet	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703
Capacity (Students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	990	990	994	981	1,018	1,023	1,023	1,023	1,017	1,012
Junior High School: (1950, 56, 65):										
Square Feet	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811
Capacity (Students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,058	1,058	1,080	1,090	1,015	1,029	1,029	1,029	1,038	1,129
Senior High School: (1997, 98):										
Square Feet	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295
Capacity (Students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	949	949	904	902	960	1,014	1,014	1,014	1,413	1,528
Other Buildings:										
Administration Building (1993):										
Square Feet	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475
Transportation/Maintenance (1996):										
Square Feet	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260
Bus Garage (1965):										
Square Feet	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Technology Building (1965):										
Square Feet	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664
Maintenance Building (1965, 80):										
Square Feet	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470
World Language Office (1975):										
Square Feet	648	648	648	648	648	648	648	648	648	648

Number of Schools at June 30, 2015:

- Middle School = 1
- Junior High School = 1
- Senior High School = 1
- Other = 5

Source: District Facilities Office

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

* School Facilities Project Numbers	MIDDLE SCHOOL 4950-060-04-1000	HIGH SCHOOL	ADULT SCHOOL	TOTAL
2015	\$ 424,030	\$ 993,896	\$ -	\$ 1,417,926
2014	435,777	1,019,676	-	1,455,453
2013	429,485	1,038,574	-	1,468,059
2012	375,157	900,971	-	1,276,128
2011	464,934	1,213,528	-	1,678,462
2010	466,857	1,193,076	69,164	1,729,097
2009	563,161	1,432,112	83,431	2,078,704
2008	636,606	1,792,045	110,042	2,538,693
2007	516,922	1,321,023	76,581	1,914,526
2006	486,287	1,242,631	72,037	1,800,955

**INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
School Package Policy (School Alliance Insurance Fund):		
Property - Blanket Buildings and Contents	\$ 250,000,000	\$ 1,000
General Liability	250,000,000	1,000
Flood Insurance Coverage	10,000,000	-
Earthquake Coverage	25,000,000	-
Pollution Coverage	1,000,000	-
 Umbrella Liability	 10,000,000	
 School Leaders Liability	 15,000,000	 10,000
 Source: District records		
 School Leaders Liability	 2,000,000	 10,000 25,000
 Source: District records		

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SINGLE AUDIT SECTION

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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
Southern Regional School District
County of Ocean
Manahawkin, New Jersey 08050

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 Southern Regional School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Southern Regional School District’s basic financial statements, and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
December 14, 2015



HOLMAN | FRENIA
ALLISON, P.C.

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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
Southern Regional School District
County of Ocean
Manahawkin, New Jersey 08050

Report on Compliance for Each Major Federal and State Program

We have audited Southern Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. Southern Regional School District's major federal and state programs 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 federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southern Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *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 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 15-08 require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Southern Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Southern Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Southern Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or 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 Southern Regional School District's internal control over compliance.

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

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

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.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
December 14, 2015

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**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	UNEARNED REVENUE AT JUNE 30, 2015	DUE TO GRANTOR AT JUNE 30, 2015
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Food Distribution Program	10.565	N/A	68,325	7/1/14-6/30/15	\$ -	\$ 68,325	\$ (68,325)	\$ -	\$ -	\$ -	\$ -
National School Breakfast Program	10.553	N/A	24,865	7/1/13-6/30/14	(1,728)	1,728	-	-	-	-	-
National School Breakfast Program	10.553	N/A	29,596	7/1/14-6/30/15	-	26,900	(29,596)	-	(2,696)	-	-
National School Lunch Program	10.555	N/A	227,238	7/1/13-6/30/14	(14,440)	14,440	-	-	-	-	-
National School Lunch Program	10.555	N/A	215,629	7/1/14-6/30/15	-	199,950	(215,629)	-	(15,679)	-	-
Healthy Hunger Free Kids Act	10.583	N/A	10,153	7/1/13-6/30/14	(617)	617	-	-	-	-	-
Healthy Hunger Free Kids Act	10.583	N/A	9,266	7/1/14-6/30/15	-	8,606	(9,266)	-	(660)	-	-
Total U.S. Department of Agriculture					(16,785)	320,566	(322,816)	-	(19,035)	-	-
U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Medical Assistance Program (SEMI)	93.778	N/A	61,363	9/1/14-8/31/15	-	61,363	(61,363)	-	-	-	-
Total U.S. Department of Labor					-	61,363	(61,363)	-	-	-	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Special Revenue Fund											
No Child Left Behind:											
Title I - Basic	84.010	NCLB495014	177,232	9/1/14-8/31/15	(76,486)	232,503	(177,232)	-	(21,215)	-	-
Title II - Part A - Improving Teacher Quality	84.367	NCLB495014	73,582	9/1/13-8/31/14	(20,003)	20,003	-	-	-	-	-
Title II - Part A - Improving Teacher Quality	84.367	NCLB495015	73,862	9/1/14-8/31/15	-	19,078	(71,858)	-	(52,780)	-	-
I.D.E.A. Part B - Basic	84.027	IDEA495014	518,616	9/1/13-8/31/14	(4,320)	4,320	-	-	-	-	-
I.D.E.A. Part B - Basic	84.027	IDEA495015	603,215	9/1/14-8/31/15	-	595,485	(599,848)	-	(4,363)	-	-
Total U.S. Department of Education					(100,809)	871,389	(848,938)	-	(78,358)	-	-
Total Federal Financial Assistance					\$ (117,594)	\$ 1,253,318	\$ (1,233,117)	\$ -	\$ (97,393)	\$ -	\$ -

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE 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	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO	
										BUDGETARY	BUDGETARY
State Department of Education:											
General Fund:											
Categorical Special Education Aid	15-495-034-5120-089	\$ 1,444,854	7/1/14-6/30/15	\$ -	\$ 1,444,854	\$ (1,444,854)	\$ -	\$ -	\$ -	\$ 128,265	\$ 1,444,854
Categorical Security Aid	15-495-034-5120-084	200,138	7/1/14-6/30/15	-	200,138	(200,138)	-	-	-	17,767	200,138
Categorical Transportation Aid	15-495-034-5120-014	263,093	7/1/14-6/30/15	-	263,093	(263,093)	-	-	-	23,356	263,093
PARCC Readiness Aid	15-495-034-5120-098	25,970	7/1/14-6/30/15	-	25,970	(25,970)	-	-	-	2,305	25,970
Per Pupil Growth Aid	15-495-034-5120-097	25,970	7/1/14-6/30/15	-	25,970	(25,970)	-	-	-	2,305	25,970
Extraordinary Aid	14-495-034-5120-473	408,489	7/1/13-6/30/14	(408,489)	408,489	-	-	-	-	-	-
Extraordinary Aid	15-495-034-5120-473	507,831	7/1/14-6/30/15	-	-	(507,831)	-	(507,831)	-	-	507,831
Nonpublic Transportation Aid	14-495-034-5120-015	8,910	7/1/13-6/30/14	(8,910)	8,910	-	-	-	-	-	-
Nonpublic Transportation Aid	15-495-034-5120-015	10,285	7/1/14-6/30/15	-	-	(10,285)	-	(10,285)	-	-	10,285
On-Behalf TPAF Pension	15-100-034-5095-001	1,165,585	7/1/14-6/30/15	-	1,165,585	(1,165,585)	-	-	-	-	1,165,585
Contributions (Nonbudgeted)	15-100-034-5095-001	1,850,366	7/1/14-6/30/15	-	1,850,366	(1,850,366)	-	-	-	-	1,850,366
On-Behalf TPAF Post-Retirement	14-495-034-5095-002	1,616,878	7/1/13-6/30/14	(80,050)	80,050	-	-	-	-	-	-
Medical (Nonbudgeted)	15-495-034-5095-002	1,582,382	7/1/14-6/30/15	-	1,504,121	(1,582,382)	-	(78,261)	-	173,998	1,582,382
Reimbursed TPAF Social Security	14-495-034-5095-002	1,582,382	7/1/14-6/30/15	(497,449)	6,977,546	(7,076,474)	-	(596,377)	-	173,998	7,076,474
Reimbursed TPAF Social Security	15-495-034-5095-002	1,582,382	7/1/14-6/30/15	-	1,504,121	(1,582,382)	-	(78,261)	-	173,998	1,582,382
Total General Fund											
Special Revenue Fund:											
New Jersey Nonpublic Aid:											
Textbook Entitlement	14-100-034-5120-064	2,962	7/1/13-6/30/14	17	-	-	(17)	-	-	-	-
Textbook Entitlement	15-100-034-5120-064	3,336	7/1/14-6/30/15	-	3,336	(3,330)	-	-	6	-	3,330
Technology Aid	14-100-034-5120-373	1,080	7/1/13-6/30/14	298	-	-	(298)	-	-	-	-
Technology Aid	15-100-034-5120-373	1,792	7/1/14-6/30/15	-	1,792	(1,775)	-	-	17	-	1,775
Nursing Services	15-100-034-5120-070	5,312	7/1/14-6/30/15	-	5,312	(5,263)	-	-	49	-	5,263
Chapter 192 Auxiliary Services	14-100-034-5120-067	11,984	7/1/13-6/30/14	856	-	-	(856)	-	-	-	-
Chapter 192 Auxiliary Services	15-100-034-5120-067	13,437	7/1/14-6/30/15	-	13,437	(13,437)	-	-	-	-	13,437
Chapter 193 Handicapped	14-100-034-5120-066	26,569	7/1/13-6/30/14	9,932	-	-	(9,932)	-	-	-	-
Chapter 193 Handicapped	15-100-034-5120-066	18,475	7/1/14-6/30/15	-	18,475	(18,475)	-	-	-	-	18,475
Total Special Revenue Fund				11,103	42,352	(42,280)	(11,103)	-	72	-	42,280
Capital Projects Fund:											
SDA Grant Cluster:											
Middle School Window Project	4950-060-14-GZZV	275,760	Until Complete	-	-	(205,177)	-	(205,177)	-	-	205,177
Total Capital Projects Fund				-	-	(205,177)	-	(205,177)	-	-	205,177
Enterprise Fund:											
State School Lunch Program	14-100-010-3350-023	8,840	7/1/13-6/30/14	(958)	958	-	-	-	-	-	-
State School Lunch Program	15-100-010-3350-023	7,163	7/1/14-6/30/15	-	6,651	(7,163)	-	(512)	-	-	7,163
Total Enterprise Fund				(958)	7,609	(7,163)	-	(512)	-	-	7,163
Total State Financial Assistance				\$ (487,304)	\$ 7,027,507	(7,331,094)	\$ (11,103)	\$ (802,066)	\$ 72	\$ 173,998	\$ 7,331,094
Less: State Financial Assistance Not Subject to New Jersey OMB Circular(s) 04-04 and/or 15-08:											
On-Behalf TPAF Pension	15-100-034-5095-001	1,165,585	7/1/14-6/30/15			1,165,585					
Contributions (Nonbudgeted)	15-100-034-5095-001	1,850,366	7/1/14-6/30/15			1,850,366					
Medical (Nonbudgeted)	15-100-034-5095-001	1,850,366	7/1/14-6/30/15			1,850,366					
Total State Financial Assistance Subject to New Jersey OMB Circular(s) 04-04 and/or 15-08						\$ (4,315,143)					

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1: General

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

Note 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 bases of accounting are described in Note 1 to the Board's basic financial statements.

Note 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 \$(7,709) for the General fund and \$(3,173) for the Special Revenue fund. See Exhibit C-3 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:

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 3: Relationship to Basic Financial Statements (continued)

	Federal	State	Total
General Fund	\$ 61,363	\$ 7,068,765	\$ 7,130,128
Special Revenue Fund	845,765	42,280	888,045
Capital Projects Fund	-	205,177	205,177
Food Service Fund	322,816	7,163	329,979
Total Financial Assistance	<u>\$ 1,229,944</u>	<u>\$ 7,323,385</u>	<u>\$ 8,553,329</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Southern Regional School District had the no loan balances outstanding at June 30, 2015.

Note 6: Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. 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 represents 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
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?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education Cluster (IDEA Part B - Basic)
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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

State Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? No
- 2) Significant deficiencies identified that are not considered
To be material weaknesses? None Reported
- Type of auditor’s report issued on compliance for major programs Unmodified
- Any audit findings disclosed that are required to be reported in accordance
With NJ OMB Circular Letter 04-04 and/or 15-08? No

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5095-002	Reimbursed TPAF Social Security Contributions
15-495-034-5120-473	Extraordinary Aid

- Dollar threshold used to distinguish between type A and type B programs: \$300,000
- Auditee qualified as low-risk auditee? Yes

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(s) 04-04 and/or 15-08.

No Current Year Findings

**SOUTHERN REGIONAL SCHOOL DISTRICT
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(s) 04-04 and/or 15-08.

No Prior Year Findings