

**SOUTHERN REGIONAL SCHOOL DISTRICT
MANAHAWKIN, NEW JERSEY
SOUTHERN REGIONAL BOARD OF EDUCATION
Manahawkin, New Jersey
County of Ocean**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SOUTHERN REGIONAL SCHOOL DISTRICT

MANAHAWKIN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by

**Southern Regional School District
Finance Department**

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INTRODUCTORY SECTION



SOUTHERN REGIONAL HIGH SCHOOL DISTRICT

OF OCEAN COUNTY

November 2, 2010

Mr. Thomas W. Serpico, 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, 2010 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 04-04 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 2009/2010 fiscal year with an enrollment of 3,099 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
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%
2004/2005	3,709.5	-7.64%
2003/2004	3,856.9	1.30%
2002/2003	3,806.0	5.72%
2001/2002	3,600.0	8.76%
2000/2001	3,310.0	4.15%

(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.

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 principals (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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

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, 2010 and the amount and percentage of increases in relation to prior year revenues:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/Decrease from 2009</u>	<u>Percent Increase/Decrease</u>
Local Sources	47,796,445	86%	(1,753,833)	(3.5%)
State Sources	6,473,361	12%	559,235	9.5%
Federal Sources	1,303,388	2%	637,726	95.8%
Total	<u>55,573,194</u>	<u>100%</u>	<u>(556,872)</u>	<u>(1%)</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, 2010 and the percentage of increases and decreases in relation to prior year amount.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent of Increase/Decrease</u>
Current Expense:				
Instruction	25,750,765	44%	702,692	3%
Undistributed	27,080,817	46%	1,337,873	5%
Total Expenditures	52,831,582	90%	2,040,565	4%
Capital Outlay	2,736,326	5%	1,838,707	205%
Special Schools	413,181	1%	11,087	3%
Debt service:				
Principal	1,680,000	3%	(20,000)	(1%)
Interest	579,825	1%	(69,725)	(11%)
Total	<u>58,240,914</u>	<u>100%</u>	<u>3,800,634</u>	<u>7%</u>

8) **DEBT ADMINISTRATION:** At June 30, 2010, the District's outstanding debt was \$11,420,000 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, 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 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 general education HSPA 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 Jazz Ensemble and the Marching Band have each 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,

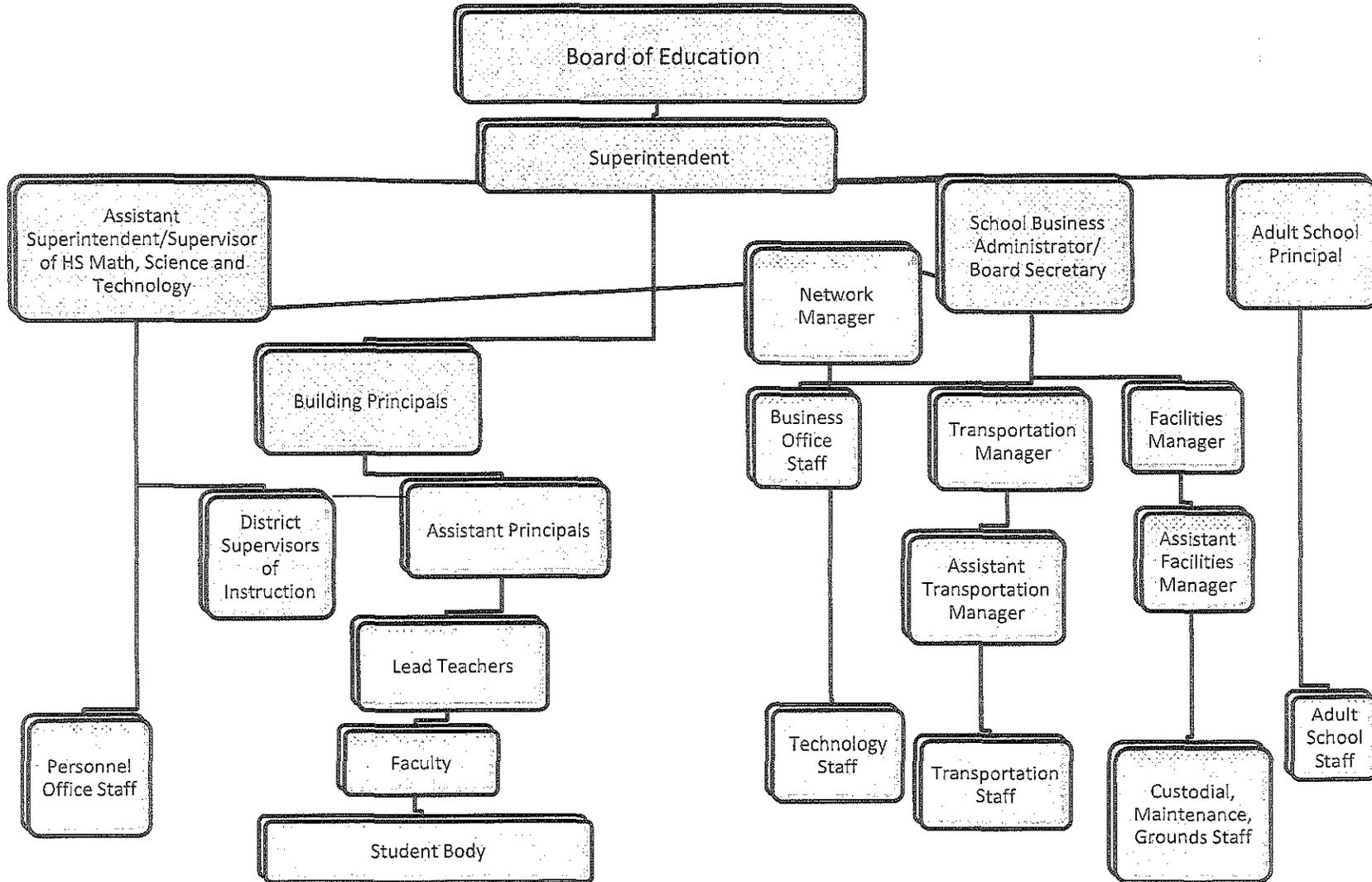
Craig Henry

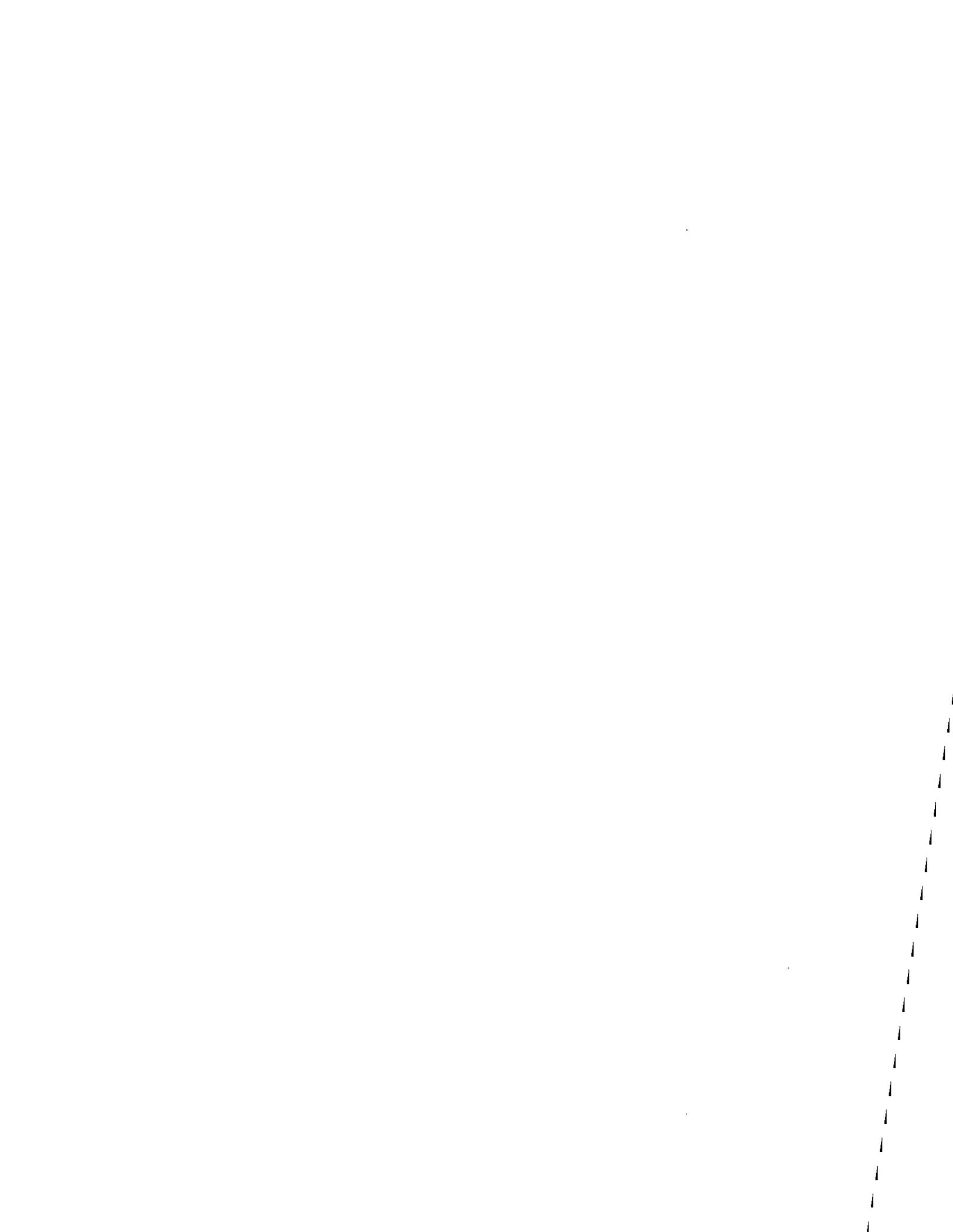
Mr. Craig Henry
Superintendent

Steven Terhune

Mr. Steven Terhune
School Business Administrator/
Board Secretary

SOUTHERN REGIONAL SCHOOL DISTRICT ORGANIZATIONAL CHART





SOUTHERN REGIONAL SCHOOL DISTRICT
Manahawkin, New Jersey 08050

ROSTER OF OFFICIALS
JUNE 30, 2010

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Thomas Serpico, President	2011
John Reilley, Vice President	2011
Steven Berkheiser	2012
Kevin Lyons	2013
Donald Meyers	2013
Stuart Snyder, Esq.	2011
Rita Sweeney	2013
Christopher Taylor	2012
Marilyn Wasilewski	2013
Keith Weidenhof	2012

OTHER OFFICIALS

Craig Henry, Superintendent

Daniel MacPhee, Assistant Superintendent

Lynn Shugars, School Business Administrator/Board Secretary

Kevin O'Shea, Treasurer of School Monies

Laura Benson, Esquire, Solicitor

**SOUTHERN REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION
Manahawkin, New Jersey 08050**

CONSULTANTS AND ADVISORS

ARCHITECT

Faridy, Veisz, Fraytak, P.C.
1515 Lower Ferry Rd.
Trenton, New Jersey 08628

AUDIT FIRM

Michael Holt, CPA, PSA
Holman & Frenia, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEYS

Berry, Sahradnik, Kotzas & Benson
212 Hooper Avenue
Toms River, New Jersey 08754

Citta, Holzapfel, Millard, Zabarsky & Rob Greitz
248 Washington Street
Toms River, New Jersey 08754

OFFICIAL DEPOSITORIES

TD Bank
571 East Bay Avenue
Manahawkin, New Jersey

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

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

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 Board of Education of the Southern Regional School District, County of Ocean, State of New Jersey, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. 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; and 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 Division of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Board of Education of the Southern Regional School District, County of Ocean, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2010, on our consideration of the Southern Regional School District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis information and budgetary comparison information as listed in the table of contents is not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Southern Regional School District basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis 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 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Michael Holt
Certified Public Accountant
Public School Accountant
No. 1148

Medford, New Jersey
November 2, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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.

Financial Highlights

Key financial highlights for 2010 are as follows:

- Ⓐ Revenues from local sources accounted for \$47,796,445 of all revenues. State and Federal sources accounted for \$7,776,749 or just 14% of all revenues. Of the general revenues, tuition received from sending districts totaled \$7,797,202 of general revenues, or 14% of total revenues.
- Ⓐ Among governmental funds, the General Fund had \$51,213,973 in revenues and \$52,724,966 in expenditures.

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 Assets* 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 Assets 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 enterprise fund is reported as a business activity.

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 Assets* 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 Assets* provides the perspective of the School District as a whole. Net assets 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 assets were \$25,618,486 on June 30, 2010.

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 70% of revenues for governmental activities for the Southern Regional School District for fiscal year 2010.

Federal, state, and local grants, along with tuition and transportation revenues, accounted for another \$16,577,887. The District's total revenues were \$55,573,194 for the fiscal year ended June 30, 2010.

The total cost of all programs and services was \$58,240,914. Direct instruction comprises 44 percent of District expenses.

Business-Type Activities

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

- Ⓐ Food service expenses exceeded revenues by \$29,522. Charges for services represent 76% of revenue. This represents amounts paid by patrons for daily food service.
- Ⓐ Federal and State reimbursement for meals, including payments for free and reduced lunches and donated commodities was \$266,332.

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 \$55,573,194 and expenditures were \$58,240,914.

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, 2010, and the amount and percentage of increase or decrease in relation to prior year revenues:

<u>Title</u>	<u>Revenue</u>	<u>2009 Revenue</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Local Tax Levy	38,995,307	39,460,133	(464,826)	(1%)
Tuition Charges	7,797,202	8,546,745	(749,543)	(9%)
Transportation Fees	638,431	1,054,288	(415,857)	(39%)
Miscellaneous	365,505	489,112	(123,607)	(25%)
Total Local Aid	47,796,445	49,550,278	(1,753,833)	(4%)
State Aid	6,473,361	5,914,126	559,235	9%
Federal Aid	1,303,388	665,662	637,726	96%
Total	55,573,194	56,130,066	(556,872)	(1%)

Local revenues decreased by \$1,753,833. The decrease in local revenue was mainly due to a decrease in tuition charges, transportation fees and property charges for the year ended June 30, 2010.

The following schedule represents a summary of governmental fund expenditures for the fiscal year ended June 30, 2010, and the amount and percentage of increase (decrease) in relation to prior year expenditures:

<u>Title</u>	<u>2010 Expenditures</u>	<u>2009 Expenditures</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Fund				
Instruction	24,511,963	24,450,091	61,872	.3%
Support Services	27,003,638	25,665,214	1,338,424	5%
Special Schools	413,181	402,094	11,087	3%
Capital Outlay	796,184	897,619	(101,435)	(11%)
Special Revenue	1,318,389	675,712	642,677	95%
Capital Projects	1,937,734	0	1,937,734	
Debt Service	2,259,825	2,349,550	(89,725)	(4%)
	58,240,914	54,440,280	3,800,634	7%

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. The largest category increase from 2009 was in the capital projects fund to accommodate several capital projects.

Capital Assets

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

Debt Administration

At June 30, 2010 the School District had \$11,420,000 of outstanding debt in serial bonds for school construction.

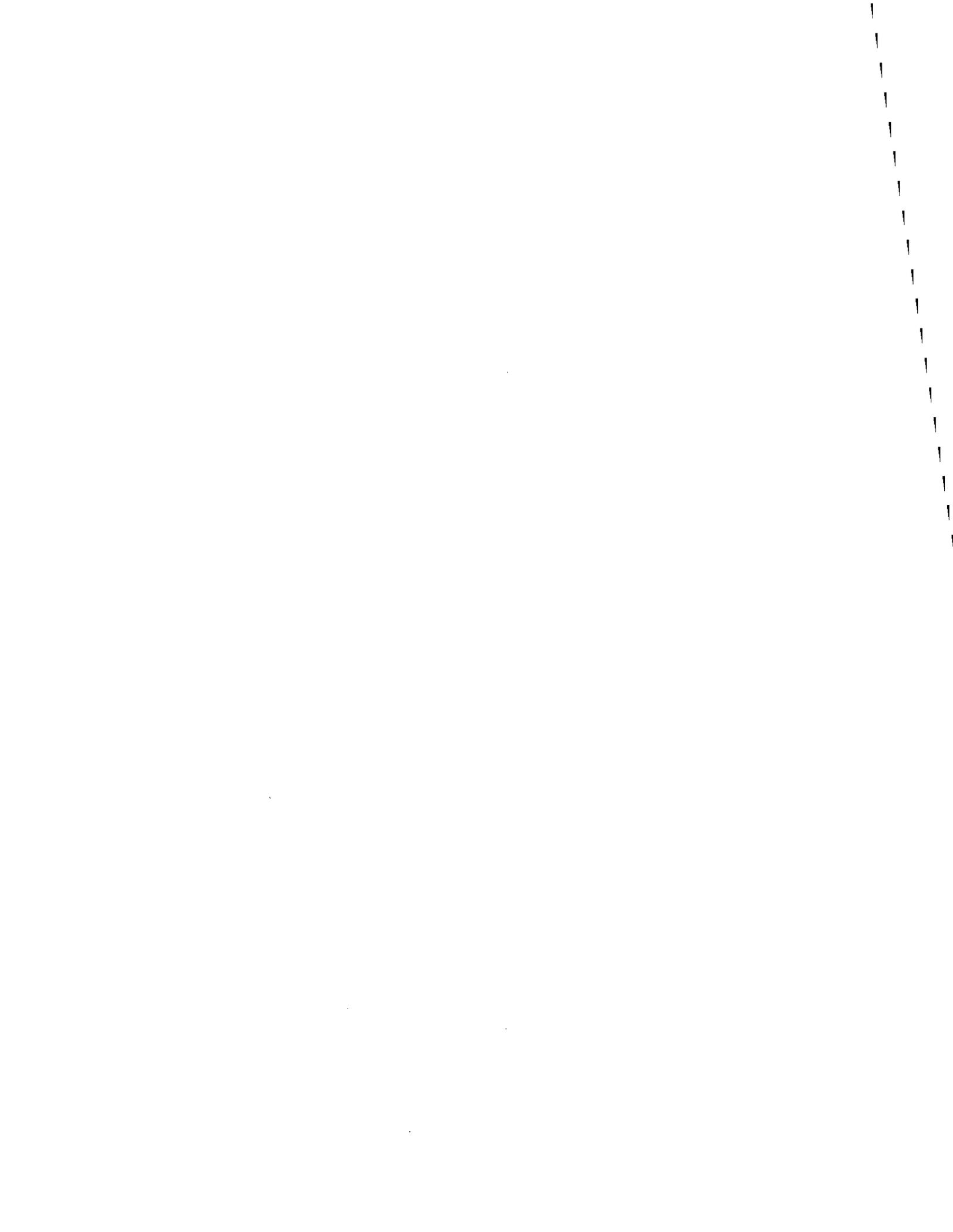
See Note 7 to the Financial Statements for a schedule of maturities for bonded debt.

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



BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements



SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$5,650,689	188,682	5,839,371	7,951,263
Receivables, Net	1,424,961	12,271	1,437,232	1,094,904
Inventory		14,611	14,611	27,138
Restricted Assets:				
Capital Reserve Account	484,168		484,168	1,645,924
Premium Stabilization Account	2,641,589		2,641,589	2,349,427
Capital Assets, Net (Note 6)	30,011,850	105,298	30,117,148	25,159,915
Unamortized Loss on Early Retirement of Debt	489,343		489,343	570,900
Unamortized Bond Issue Costs	60,698		60,698	70,815
Total Assets	40,763,298	320,862	41,084,160	38,870,286
LIABILITIES				
Accounts Payable	113,580		113,580	130,929
Accrued Interest Payable	182,075		182,075	204,475
Deferred Revenue	5,085		5,085	12,606
Accrued Liability for Insurance Claims	900,425		900,425	852,732
Unamortized Bond Premium	162,041		162,041	189,048
Noncurrent Liabilities (Note 7):				
Due Within One Year	1,660,000		1,660,000	1,680,000
Due Beyond One Year	12,442,468		12,442,468	14,068,245
Total Liabilities	15,465,674		15,465,674	17,138,035
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	18,919,708	105,298	19,025,006	12,387,773
Restricted For:				
Debt Service	(182,062)		(182,062)	(204,324)
Unrestricted	6,559,978	215,564	6,775,542	9,548,802
Total Net Assets	\$25,297,624	320,862	25,618,486	21,732,251

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, 2010
(With Comparative Totals for June 30, 2009)**

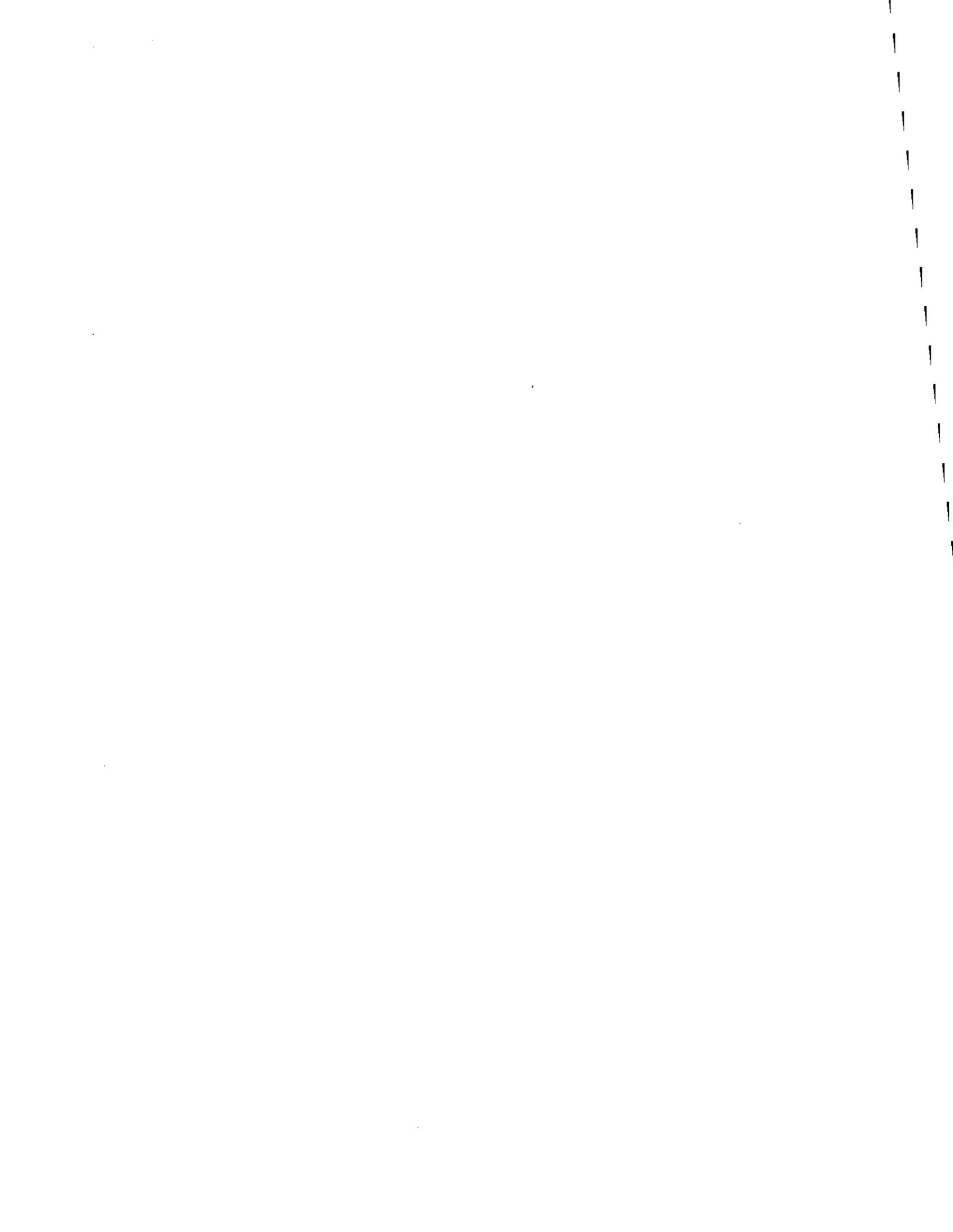
FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Governmental Activities:							
Current:							
Regular Instruction	\$ 17,959,348		1,238,802	(16,720,546)		(16,720,546)	(16,106,110)
Special Education Instruction	5,936,106			(5,936,106)		(5,936,106)	(6,568,260)
Basic Skills/Remedial Instruction	213,258			(213,258)		(213,258)	(160,116)
Other Instruction	1,642,053			(1,642,053)		(1,642,053)	(1,615,605)
Support Services & Undistributed Costs:							
Tuition Charges	801,509			(801,509)		(801,509)	(704,799)
Student & Instruction Related Services	5,286,016			(5,286,016)		(5,286,016)	(4,510,232)
School Administrative Services	2,609,606		77,179	(2,532,427)		(2,532,427)	(2,864,343)
General Administrative Services	877,920			(877,920)		(877,920)	(916,877)
Plant Operations & Maintenance	6,705,086			(6,705,086)		(6,705,086)	(6,481,944)
Central Services	652,229			(652,229)		(652,229)	(652,395)
Other Administrative Services	178,076			(178,076)		(178,076)	(192,234)
Pupil Transportation	3,812,409			(3,812,409)		(3,812,409)	(3,881,230)
Unallocated Benefits	6,157,966			(6,157,966)		(6,157,966)	(5,461,160)
Unallocated Compensated Absences	34,223			(34,223)		(34,223)	182,436
Unallocated Other Deletions & Retirements of Capital Assets							(129,689)
Unallocated Depreciation	1,380,963			(1,380,963)		(1,380,963)	(1,527,325)
Special Schools	413,181			(413,181)		(413,181)	(402,094)
Interest on Long-Term Debt	557,425			(557,425)		(557,425)	(625,467)
Amortization of Debt Issuance Costs	64,667			(64,667)		(64,667)	(59,808)
Total Governmental Activities	55,282,041		1,315,981	(53,966,060)		(53,966,060)	(52,677,252)

SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

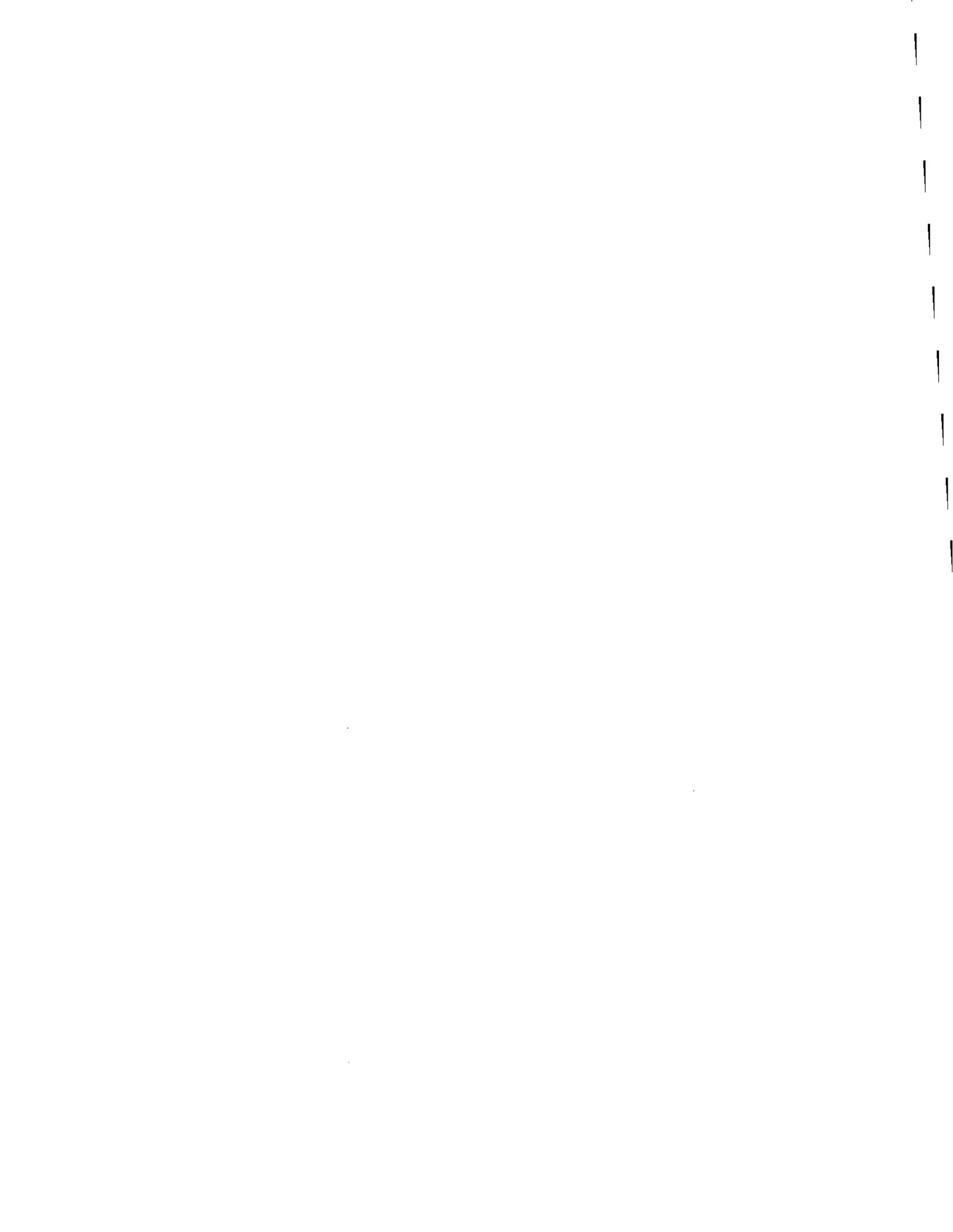
FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	CHARGES FOR EXPENSES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2010	JUNE 30, 2009
Business-Type Activities:						
Food Service	1,117,869	822,015	266,332	(29,522)	(29,522)	(61,654)
Total Business-Type Activities	1,117,869	822,015	266,332	(29,522)	(29,522)	(61,654)
Total Primary Government	\$56,399,910	822,015	1,582,313	(53,966,060)	(29,522)	(53,995,582)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				36,735,660	36,735,660	37,110,642
Taxes Levied for Debt Service				2,259,647	2,259,647	2,349,491
Federal & State Aid Not Restricted				6,460,768	6,460,768	5,904,076
Tuition Received				7,797,202	7,797,202	8,546,745
Transportation Fees				638,431	638,431	1,054,288
Investment Earnings				6,935	6,935	16,908
Unallocated Revaluation of Capital Assets				3,624,604	3,624,604	
Miscellaneous Income				358,570	358,570	474,109
Total General Revenues, Special Items, Extraordinary Items & Transfers				57,881,817	57,881,817	55,456,259
Change In Net Assets				3,915,757	(29,522)	3,886,235
Net Assets - Beginning				21,381,867	350,384	21,732,251
Prior Period Adjustment - GAAP Basis						(45,475)
Net Assets, July 1 Restated				21,381,867	350,384	21,732,251
Net Assets - Ending				\$25,297,624	320,862	25,618,486

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

B. Fund Financial Statements



Governmental Funds



**SOUTHERN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010**

(With Comparative Totals for June 30, 2009)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2010	JUNE 30, 2009
ASSETS & OTHER DEBITS						
Cash & Cash Equivalents	\$4,121,199	513,153	1,016,324	13	5,650,689	7,767,868
Intergovernmental Accounts Receivable:						
State	812,708				812,708	122,629
Federal		352,239			352,239	420,148
Other	230,900				230,900	522,460
Interfunds Receivable	1,539,324				1,539,324	1,053,891
Restricted Cash & Cash Equivalents						
Capital Reserve Account	484,168				484,168	1,645,924
Premium Stabilization Account	2,641,589				2,641,589	2,349,427
Total Assets	\$9,829,888	865,392	1,016,324	13	11,711,617	13,882,347
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts Payable	\$66,665	46,915			113,580	83,960
Interfund Payables	8,352	813,392	688,466		1,510,210	1,036,043
Intergovernmental Accounts Payable						46,969
Deferred Revenue		5,085			5,085	12,606
Accrued Liability for Insurance Claims	900,425				900,425	852,732
Total Liabilities	975,442	865,392	688,466		2,529,300	2,032,310
Fund Balances:						
Reserved for:						
Encumbrances	330,323				330,323	153,761
Capital Reserve Account	484,168				484,168	1,645,924
Excess Surplus Designated for Subsequent Year's Expenditures	4,763,929				4,763,929	3,135,893
Excess Surplus	1,801,801				1,801,801	4,763,929
Unreserved:						
Designated for Subsequent Year's Expenditures	15,003				15,003	1,098,849
General Fund	1,459,222				1,459,222	723,850
Capital Projects Fund			327,858		327,858	327,858
Debt Service Fund				13	13	(27)
Total Fund Balances	8,854,446		327,858	13	9,182,317	11,850,037
Total Liabilities & Fund Balances	\$9,829,888	865,392	1,016,324	13		

Amounts reported for *governmental activities* in the statement of net assets (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 \$58,514,648 and the accumulated depreciation is \$28,502,798.	30,011,850	25,031,883
Accrued interest payable is not recorded in the fund financials due to the fact that the payable is not due in the current period.	(182,075)	(204,475)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see illustrative Note 7)	(14,102,468)	(15,748,245)
Unamortized bond issuance costs/loss on refunding net of Bond Premium is not recorded in the fund financials but is recorded on the district-wide financials. But is recorded on the district wide financials	388,000	452,667
Net assets of Governmental Activities	\$25,297,624	21,381,867

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, 2010
(With Comparative Totals for June 30, 2009)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2010	JUNE 30, 2009
Revenues:						
Local Sources:						
Local Tax Levy	\$36,735,660			2,259,647	38,995,307	39,460,133
Tuition Charges	7,797,202				7,797,202	8,546,745
Transportation Fees	638,431				638,431	1,054,288
Interest on Investments	884		6,051		6,935	16,118
Miscellaneous	352,079	6,451		40	358,570	472,994
Total Local Sources	45,524,256	6,451	6,051	2,259,687	47,796,445	49,550,278
State Sources	5,688,590	9,677	775,094		6,473,361	5,914,126
Federal Sources	1,127	1,302,261			1,303,388	665,662
Total Revenues	51,213,973	1,318,389	781,145	2,259,687	55,573,194	56,130,066
Expenditures:						
Current Expense:						
Regular Instruction	16,720,546	1,238,802			17,959,348	16,704,092
Special Education Instruction	5,936,106				5,936,106	6,568,260
Basic Skills/Remedial Instruction	213,258				213,258	160,116
Other Instruction	1,642,053				1,642,053	1,615,605
Support Services:						
Tuition	801,509				801,509	704,799
Student & Instruction Related Services	5,286,016				5,286,016	4,510,232
General Administrative	877,920				877,920	916,877
School Administrative Services	2,532,427	77,179			2,609,606	2,942,073
Central Services	652,229				652,229	652,395
Administrative Information Technology	178,076				178,076	192,234
Plant Operations & Maintenance	6,705,086				6,705,086	6,481,944
Student Transportation	3,812,409				3,812,409	3,881,230
Unallocated Benefits	6,157,966				6,157,966	5,461,160
Special Schools	413,181				413,181	402,094
Capital Outlay	796,184	2,408	1,937,734		2,736,326	897,619
Debt Service:						
Principal				1,680,000	1,680,000	1,700,000
Interest				579,825	579,825	649,550
Total Expenditures	52,724,966	1,318,389	1,937,734	2,259,825	58,240,914	54,440,280
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(1,510,993)		(1,156,589)	(138)	(2,667,720)	1,689,786
Other Financing Sources/(Uses):						
Transfers In	6,051		1,162,640		1,168,691	1,115
Transfers Out	(1,162,640)		(6,051)		(1,168,691)	(1,115)
Total Other Financing Sources/(Uses)	(1,156,589)		1,156,589			
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(2,667,582)			(138)	(2,667,720)	1,689,786
Fund Balances July 1	11,522,028		327,858	151	11,850,037	10,160,251
Fund Balances June 30	\$8,854,446	-	327,858	13	9,182,317	11,850,037

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, 2010**

Total Net Change in Fund Balances - Governmental Funds (From B-2) (\$2,667,720)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	(\$1,380,963)	
Revaluation of Capital Assets	3,624,604	
Capital Outlays	2,736,326	4,979,967

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 1,680,000

Net difference of accrued interest on bonds and capital leases is not recorded in the fund financial statements 22,400

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.

Prior Year	(452,667)	
Current Year	388,000	(64,667)

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

Prior Year	2,648,245	
Current Year	(2,682,468)	(34,223)

Change in Net Assets of Governmental Activities \$3,915,757

See accompanying notes to the financial statements.

Proprietary Funds

**SOUTHERN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)**

ASSETS	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Current Assets:			
Cash & Cash Equivalents	\$188,682	188,682	183,395
Accounts Receivable:			
State	676	676	641
Federal	11,595	11,595	9,300
Other			1,878
Inventories	14,611	14,611	27,138
Total Current Assets	<u>215,564</u>	<u>215,564</u>	<u>222,352</u>
Noncurrent Assets:			
Equipment	491,790	491,790	491,790
Less: Accumulated Depreciation	<u>(386,492)</u>	<u>(386,492)</u>	<u>(363,758)</u>
Total Noncurrent Assets	<u>105,298</u>	<u>105,298</u>	<u>128,032</u>
Total Assets	<u>320,862</u>	<u>320,862</u>	<u>350,384</u>
 NET ASSETS			
Investments in Capital Assets - Net of Related Debt	105,298	105,298	128,032
Unreserved Net Assets	<u>215,564</u>	<u>215,564</u>	<u>222,352</u>
Total Net Assets	<u>\$320,862</u>	<u>320,862</u>	<u>350,384</u>

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 ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$715,452	715,452	747,185
Daily Sales Nonreimbursable Programs:			
School Lunch Program	106,563	106,563	50,077
Total Operating Revenue	<u>822,015</u>	<u>822,015</u>	<u>797,262</u>
Operating Expenses:			
Cost of Sales	439,949	439,949	399,012
Salaries	346,429	346,429	360,915
Payroll Tax Expense & Other Employee Benefits	93,329	93,329	111,405
Purchased Property Services	116,530	116,530	96,493
Cleaning, Repair & Maintenance Services	14,461	14,461	23,776
General Supplies	56,497	56,497	51,703
Insurance	15,589	15,589	18,289
Depreciation	22,734	22,734	21,217
Office Expense	12,351	12,351	5,187
Total Operating Expenses	<u>1,117,869</u>	<u>1,117,869</u>	<u>1,087,997</u>
Operating Income/(Loss)	<u>(295,854)</u>	<u>(295,854)</u>	<u>(290,735)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	11,088	11,088	11,370
State School Breakfast Program	590	590	776
Federal Sources:			
National School Lunch Program	190,015	190,015	163,303
National School Breakfast Program	5,054	5,054	5,729
Food Distribution Program	59,585	59,585	47,903
Interest Income			1,905
Total Nonoperating Revenues	<u>266,332</u>	<u>266,332</u>	<u>230,986</u>
Net Income/(Loss)	<u>(29,522)</u>	<u>(29,522)</u>	<u>(59,749)</u>
Net Assets - July 1, as Previously Stated	350,384	350,384	455,608
Prior Period Adjustment			<u>(45,475)</u>
Net Assets - July 1, as Restated	<u>350,384</u>	<u>350,384</u>	<u>410,133</u>
Net Assets - June 30	<u>\$320,862</u>	<u>320,862</u>	<u>350,384</u>

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, 2010
 (With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$823,893	823,893	798,879
Payments to Employees	(346,429)	(346,429)	(360,915)
Payments for Employee Benefits	(93,329)	(93,329)	(111,405)
Payments to Suppliers	(642,850)	(642,850)	(626,309)
Net Cash Provided/(Used) by Operating Activities	(258,715)	(258,715)	(299,750)
Cash Flows From Noncapital Financing Activities:			
Cash Received From State Reimbursements	11,643	11,643	17,273
Cash Received From Federal Reimbursements	252,359	252,359	208,086
Net Cash Provided by Noncapital Financing Activities	264,002	264,002	225,359
Cash Flows From Capital & Related Financing Activities:			
Acquisition of Capital Assets			(45,509)
Net Cash Used by Capital & Related Financing Activities			(45,509)
Cash Flows From Investing Activities:			
Interest			1,905
Net Cash Provided from Investing Activities			1,905
Net Increase/(Decrease) in Cash & Cash Equivalents	5,287	5,287	(117,995)
Balances - Beginning of Year	183,395	183,395	301,390
Balances - Ending of Year	\$188,682	188,682	183,395
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	(295,854)	(295,854)	(290,735)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	22,734	22,734	21,217
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	1,878	1,878	1,617
(Increase)/Decrease in Inventory	12,527	12,527	(2,421)
(Increase)/Decrease in Prepaid Expenses			6,188
Increase/(Decrease) in Accounts Payable			(35,616)
Total Adjustments	37,139	37,139	(9,015)
Net Cash Provided/(Used) by Operating Activities	(\$258,715)	(258,715)	(299,750)

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



Fiduciary Fund



**SOUTHERN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS (MEMORANDUM ONLY)	
	SCHOLARSHIP TRUST FUND	UNEMPLOYMENT TRUST	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$118,226	9,776	394,240	305,421	827,663	793,611
Interfund Receivable		8,352			8,352	8,352
Total Assets	118,226	18,128	394,240	305,421	836,015	801,963
LIABILITIES						
Accounts Payable		6,067			6,067	8,453
Interfund Payable				37,466	37,466	26,200
Due to Student Groups			394,240		394,240	408,146
Payroll Deductions & Withholdings				267,955	267,955	255,456
Total Liabilities		6,067	394,240	305,421	705,728	698,255
NET ASSETS						
Reserved for Scholarships	118,226				118,226	103,708
Unemployment Claims & Other Purposes		12,061			12,061	
Total Net Assets	\$118,226	12,061	-	-	130,287	103,708

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 ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)

ADDITIONS	PRIVATE PURPOSE		TOTALS (MEMORANDUM ONLY)	
	SCHOLARSHIP FUND	UNEMPLOYMENT TRUST	JUNE 30, 2010	JUNE 30, 2009
Contributions:				
Scholarship Donations & Contributions	\$99,442	79,557	178,999	113,967
Total Contributions	99,442	79,557	178,999	113,967
Investment Earnings:				
Interest - Checking		70	70	124
Net Investment Earnings		70	70	124
Total Additions	99,442	79,627	179,069	114,091
DEDUCTIONS				
Quarterly Contribution Reports		67,566	67,566	
Scholarships Awarded	84,924		84,924	150,893
Total Deductions	84,924	67,566	152,490	150,893
Change in Net Assets	14,518	12,061	26,579	(36,802)
Net Assets - Beginning of the Year	103,708		103,708	140,510
Net Assets - End of the Year	\$118,226	12,061	130,287	103,708

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2010

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). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards for the fiscal year-ending June 30, 2005 with the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2010 and for the year then ended with comparative totals as of and for the year ended June 30, 2009 (Memorandum Only).

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, 2010 of 3,099 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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

- ◆ 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

Based on the aforementioned criteria, the District has no component units.

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

Governmental Fund Financial Statements – The 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. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting:

The accounts of the Southern Regional School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

As required by the New Jersey Department of Education, the Southern Regional School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) 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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

D. Fund Accounting (continued):

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 fixed 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.

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

D. Fund Accounting (continued):

earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line-method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	15 Years
Light Trucks & Vehicle	8 Years
Heavy Trucks & Vehicle	8 Years

The Food Service Fund fixed assets are partially depreciated at June 30, 2010.

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency 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 an Unemployment Trust Fund as a private purpose trust.

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

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Southern Regional School District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Southern Regional School District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. 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 and are voted upon at the annual school election on the third Tuesday in April. 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:23-1.2*. All budget amendments must be approved by School Board resolution.

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

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

Notes to Required Supplementary Information.
Budgetary Comparison Schedule

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) "revenues" from the budgetary comparison schedules	\$51,251,173	\$1,333,169
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(14,780)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	258,320	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(295,520)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$51,213,973</u>	<u>\$1,318,389</u>

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$52,724,966	\$1,333,169
Difference – Budget to GAAP:		
Encumbrances for supplies and equipment ordered But not received are reported in the year the order is Placed for budgetary purposes, but in the year the Supplies are received for financial reporting purposes _____		_____(14,780)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$52,724,966</u>	<u>\$1,318,389</u>

G. 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 reservations of 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 Southern Regional School District has received advances are reflected in the balance sheet as deferred revenues 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.

H. Cash, Cash Equivalents and Investments:

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. All other investments are stated at fair value.

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

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

I. Tuition Receivable/Payable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2010, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2006-2007 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

K. 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 Southern Regional School District and that are due within one year.

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

the District has assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

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

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2010 for such salaries.

N. 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 District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Deferred Revenue

Deferred revenue in the general and special revenue funds represents cash, which has been received but not yet earned.

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

P. Long-Term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

Q. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at June 30, 2010, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$9,792,791</u>
Total Deposits	<u>\$9,792,791</u>
Reconciliation of Statements of Net Assets:	
Governmental Activities	\$8,776,446
Business-Type Activities	188,682
Fiduciary Funds	<u>827,663</u>
Total Cash and Cash Equivalents	<u>\$9,792,791</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$7,647,103 at June 30, 2010. Of the bank balance

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 2. Cash and Cash Equivalents and Investments (continued):

\$297,234 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$7,349,869 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2010, are provided in the above schedule.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Capital Reserve Account

A capital reserve account was established by the Southern Regional School District by inclusion of \$1 on October 13, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning Balance, July 1, 2009	\$1,645,924
Interest Earnings	884
Withdrawal:	
Approved via Resolution on July 21, 2009	<u>(1,162,640)</u>
Ending Balance, June 30, 2010	<u>\$ 484,168</u>

Note 5. Transfers to Capital Projects

During the year ending June 30, 2010, the District transferred \$1,162,640 to the capital project fund. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant *N.J.A.C.6A:23-8.4*.

SOUTHERN REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 6. Fixed Assets

The following schedule is a summarization of the general fixed assets for the fiscal year ended June 30, 2010:

	June 30, 2009	Additions	Adjustments	June 30, 2010
Land	\$ 2,525,711			\$ 2,525,711
Buildings	29,276,997	\$2,104,880	\$3,353,223	34,735,100
Construction in Progress	5,276,638			5,276,638
Vehicles	5,495,164	494,129	29,179	6,018,472
Machinery & Equipment	9,401,034	137,317	420,376	9,958,727
Subtotal	51,975,544	2,736,326	3,802,778	58,514,648
Accumulated Depreciation	<u>(26,943,661)</u>	<u>(1,380,963)</u>	<u>(178,174)</u>	<u>(28,502,798)</u>
Total	<u>\$25,031,883</u>	<u>\$1,355,363</u>	<u>\$3,624,604</u>	<u>\$30,011,850</u>

During the year ended June 30, 2010, the District had an appraisal of its fixed assets. The fixed asset balances have been adjusted to agree with this appraisal through the adjustment column noted above.

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2010:

	June 30, 2009	Additions	Deletions	June 30, 2010
Machinery & Equipment	\$491,790		\$ -	\$491,790
Less: Accumulated Depreciation	<u>(363,758)</u>	<u>\$(22,734)</u>		<u>(386,492)</u>
Net Fixed Assets	<u>\$128,032</u>	<u>\$(22,734)</u>	<u>\$ -</u>	<u>\$105,298</u>

Note 7: Long-Term Debt

During the fiscal year ended June 30, 2010 the following changes occurred in liabilities reported in the Long-Term Debt Account Group:

	Balance 6/30/09	Additions	Retired	Balance 6/30/10	Due Within One Year
Bonds Payable	\$13,100,000		\$1,680,000	\$11,420,000	\$1,660,000
Compensated Absences	<u>2,648,245</u>	<u>\$34,223</u>		<u>2,682,468</u>	
Total	<u>\$15,748,245</u>	<u>\$34,223</u>	<u>\$1,680,000</u>	<u>\$14,102,468</u>	<u>\$1,660,000</u>

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 7. Long-Term Debt (continued):

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 Board are general obligation bonds.

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

Year-ending June 30,	Principal	Interest	Total
2011	\$ 1,660,000	\$ 513,025	\$ 2,173,025
2012	1,645,000	442,813	2,087,813
2013	1,635,000	364,925	1,999,925
2014	1,630,000	281,263	1,911,263
2015	1,625,000	197,850	1,822,850
2016-2017	<u>3,225,000</u>	<u>155,088</u>	<u>3,380,088</u>
Total	<u>\$11,420,000</u>	<u>\$1,954,964</u>	<u>\$13,374,964</u>

Obligations Under Operating Leases

The District has no rental obligations accounted for as an operating lease at June 30, 2010.

Note 8. Pension Plans

Plan Descriptions - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A. 18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 8. Pension Plans (continued):

system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 8. Pension Plans (continued):

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$535,059	100%	\$ -0-
6/30/09	460,734	100%	-0-
6/30/08	331,308	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$1,357,141	100%	\$ -0-
6/30/09	1,413,271	100%	-0-
6/30/08	3,280,028	100%	-0-

During the year ended June 30, 2010 the State of New Jersey contributed \$1,357,141 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$1,560,564 for the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. 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 premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

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
2009-2010	\$ 79,557	\$ 70	\$ 67,566	\$12,061
2008-2009	48,337	124	76,439	-
2007-2008	172,657	186	157,667	27,978

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note 11. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$1,539,324	\$ 8,352
Special Revenue Fund		813,392
Capital Projects		688,466
Trust & Agency Fund	<u>8,352</u>	<u>37,466</u>
Total	<u>\$1,547,676</u>	<u>\$1,547,676</u>

Note 12. Fund Balance Appropriated

General Fund – of the \$8,854,446 General Fund fund balance at June 30, 2010, \$330,323 has been reserved for encumbrances; \$484,168 has been reserved in the Capital Reserve Account; \$4,763,929 has been reserved as excess surplus designated for subsequent year’s expenditures; \$1,801,801 is reserved as excess surplus; \$15,003 is unreserved and designated for subsequent year’s expenditures and \$1,459,222 is unreserved and undesignated.

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	Equitable Life Assurance Company
Discovery Financial	Lincoln Investment Planning, Inc.
PFS Shareholder Services	USAA Life Insurance
The Vanguard Group	

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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 14. Compensated Absences (continued):

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, 2010 is \$2,682,468.

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, 2010 no liability existed for compensated absences in the proprietary fund types.

Note 15. State Aid Receivable

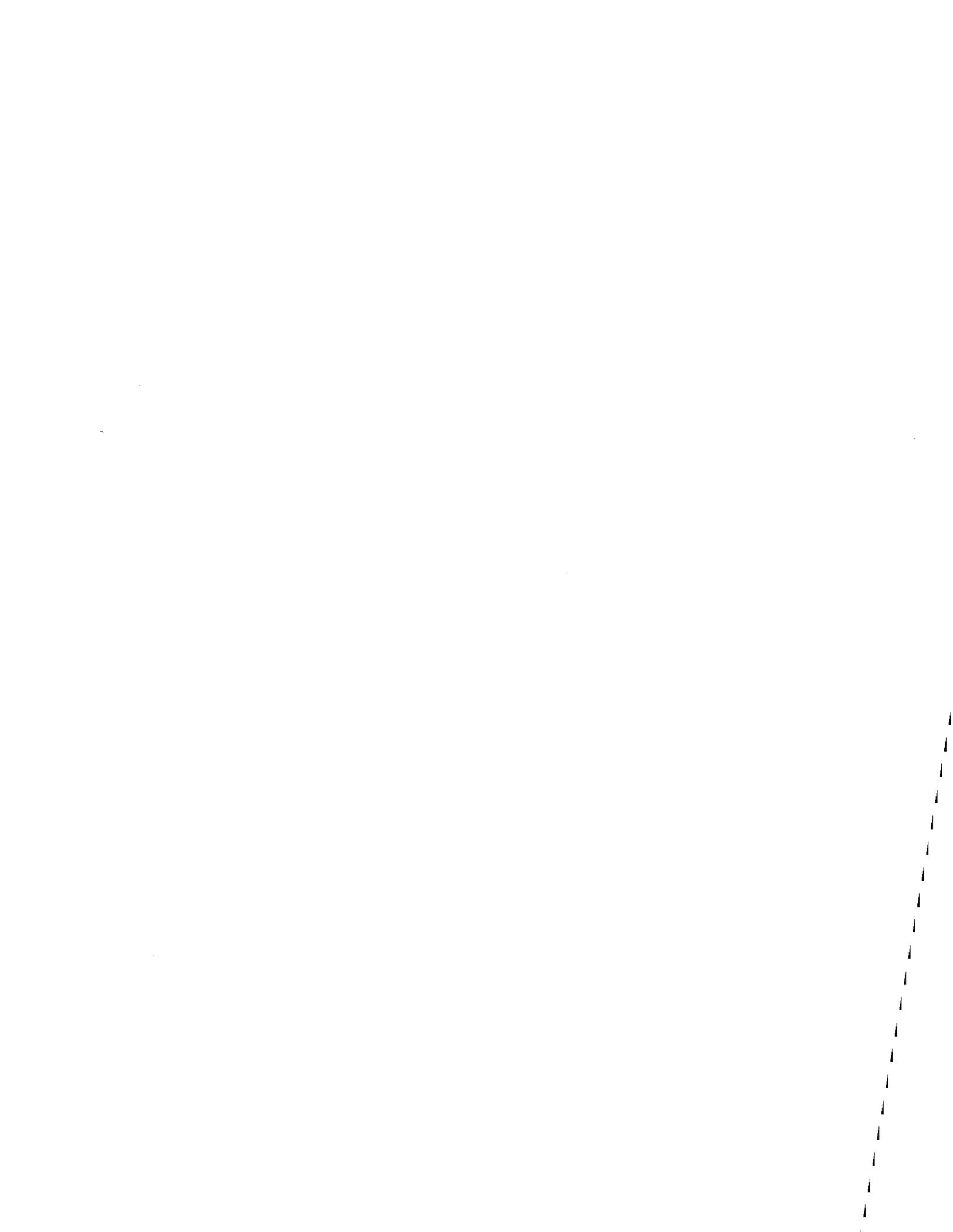
Amounts reported in the accompanying schedules do not agree with amounts reported in the Board's basic financial statements. The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. The Special Revenue Fund is presented in the accompanying schedules on the Grant Accounting Budgetary Basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP Basis does not. In July 2010, the final state aid payments were made in the amount of \$295,520. The Budgetary Basis recognizes this as revenue and a related receivable, the GAAP basis does not.

Note 16. 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 has an excess fund balance of \$1,801,801 at June 30, 2010.

Note 17. Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.



REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$36,735,660		36,735,660	36,735,660		37,110,642		37,110,642	37,110,642	
Tuition	10-1300	7,305,051		7,305,051	7,797,202	492,151	7,363,510		7,363,510	8,546,745	1,183,235
Transportation Fees	10-1420	675,000		675,000	638,431	(36,569)	600,000		600,000	1,054,288	454,288
Interest Earned on Capital Reserve Fund	10-1XXX	1,000		1,000	884	(116)	1,000		1,000	15,003	14,003
Miscellaneous	10-1XXX	280,000		280,000	352,079	72,079	300,000		300,000	472,486	172,486
Total Local Sources		44,996,711		44,996,711	45,524,256	527,545	45,375,152		45,375,152	47,199,164	1,824,012
State Sources:											
Categorical Transportation Aid	10-3121	1,192,116		1,192,116	774,875	(417,241)	965,922		965,922	965,922	
Categorical Special Education Aid	10-3132	1,351,428		1,351,428	912,256	(439,172)	1,313,044		1,313,044	1,313,044	
Extraordinary Aid	10-3131				726,528	726,528	109,612	513,576	623,188	623,188	
Categorical Security Aid	10-3177	209,545		209,545	136,204	(73,341)	200,149	107,384	307,533	111,228	(196,305)
Adjustment Aid	10-3178	346,986		346,986	225,541	(121,445)	620,960	(620,960)			
Non-Public Transportation Aid	10-3190				8,816	8,816				13,017	13,017
Adult & Post-Graduate Education	10-3191		42,313	42,313	23,865	(18,448)	54,684		54,684	54,684	
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					1,357,141	1,357,141				1,413,271	1,413,271
Reimbursed TPAF Social Security					1,560,564	1,560,564				1,544,075	1,544,075
Total State Sources		3,100,075	42,313	3,142,388	5,725,790	2,583,402	3,264,371		3,264,371	6,038,429	2,774,058
Federal Sources:											
Medicaid Reimbursement	10-4200	23,003		23,003	1,127	(21,876)					
Total Federal Sources		23,003		23,003	1,127	(21,876)					
Total Revenues		48,119,789	42,313	48,162,102	51,251,173	3,089,071	48,639,523		48,639,523	53,237,593	4,598,070
Expenditures:											
Current Expense:											
Grades 6-8 Salaries of Teachers	11-130-100-101	3,856,164	438,792	4,294,956	4,261,133	33,823	3,814,542	(2,582)	3,811,960	3,766,063	45,897
Grades 6-8 Employee Benefits	11-130-100-270	1,041,821	51,701	1,093,522	968,784	124,738	1,014,850		1,014,850	820,194	194,656
Grades 9-12 Salaries of Teachers	11-140-100-101	9,275,265	(1,235,290)	8,039,975	7,975,943	64,032	8,752,201	14,787	8,766,988	8,746,926	20,062
Grades 9-12 Employee Benefits	11-140-100-270	2,487,666	(87,869)	2,399,797	2,329,539	70,258	2,451,300	(277,945)	2,173,355	1,599,607	573,748
Home Instruction - Regular Programs: Salaries of Teachers	11-150-100-101	120,000	13,680	133,680	130,937	2,743	165,000	18,025	183,025	118,849	64,176

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Expenditures (continued):											
Home Instruction - Regular Programs (continued):											
Other Salaries for Instruction	11-190-100-106	23,405		23,405	22,215	1,190	22,280		22,280	22,280	
Purchased Technical Services	11-190-100-340	95,600		95,600	91,642	3,958	85,300	2,750	88,050	85,188	2,862
Other Purchased Services - (400-500 Series)	11-190-100-500	194,950	(13,282)	181,668	159,338	22,330	193,475	1,268	194,743	168,281	26,462
General Supplies	11-190-100-610	681,172	(11,193)	669,979	632,593	37,386	813,212	36,926	850,138	637,751	212,387
Textbooks	11-190-100-640	131,654	(34,933)	96,721	77,869	18,852	137,787	(12,834)	124,953	95,194	29,759
Other Objects	11-190-100-890	57,458	18,944	76,402	70,553	5,849	53,240	4,945	58,185	45,777	12,408
Total Regular Programs		17,965,155	(859,450)	17,105,705	16,720,546	385,159	17,503,187	(214,660)	17,288,527	16,106,110	1,182,417
Special Education:											
Learning/Language Disabilities:											
Salaries of Teachers	11-204-100-101	401,924	46,295	448,219	448,189	30	1,102,460	(84,458)	1,018,002	1,001,543	16,459
Other Salaries for Instruction	11-204-100-106	44,930	(21,108)	23,822	22,465	1,357	419,016	21,709	440,725	440,724	1
Employee Benefits	11-204-100-270	144,527	7,140	151,667	141,507	10,160	703,200	2,262	705,462	656,024	49,438
Other Purchased Services - (400-500 Series)	11-204-100-500	900	132	1,032	1,032		4,335	1,170	5,505	4,640	865
General Supplies	11-204-100-610	17,900	(9,835)	8,065	3,274	4,791	19,180		19,180	17,464	1,716
Textbooks	11-204-100-640	1,800	(309)	1,491		1,491	3,600		3,600	1,095	2,505
Other Objects	11-204-100-800	10,200		10,200	2,037	8,163	9,100	120	9,220	4,180	5,040
Total Learning/Language Disabilities		622,181	22,315	644,496	618,504	25,992	2,260,891	(59,197)	2,201,694	2,125,670	76,024
Auditory Impairments:											
Salaries of Teachers	11-207-100-101						46,467	(46,467)			
Other Salaries for Instruction	11-207-100-106							41,725	41,725	660	41,065
Employee Benefits	11-207-100-270						20,600	(11,045)	9,555	8,246	1,309
Other Objects	11-207-100-800						1,000		1,000	400	600
Total Auditory Impairments							68,067	(15,787)	52,280	9,306	42,974

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**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Behavioral Disabilities:											
Salaries of Teachers	11-209-100-101	642,682	(39,215)	603,467	603,391	76	585,340	40,384	625,724	623,724	2,000
Other Salaries for Instruction	11-209-100-106	164,716	8,436	173,152	173,152		156,301		156,301	156,301	
Employee Benefits	11-209-100-270	285,537	22,279	307,816	298,373	9,443	315,850	19,570	335,420	310,146	25,274
Other Purchased Services-(400-500)	11-209-100-500	2,800	(410)	2,390		2,390	1,300	(148)	1,152	253	899
General Supplies	11-209-100-610	12,800	(4,819)	7,981	6,160	1,821	13,925	149	14,074	11,298	2,776
Textbooks	11-209-100-640	6,500	(4,800)	1,700	1,649	51	7,700	(3,800)	3,900	468	3,432
Other Objects	11-209-100-800	9,700		9,700	8,527	1,173	11,500	46	11,546	10,633	913
Total Behavioral Disabilities		1,124,735	(18,529)	1,106,206	1,091,252	14,954	1,091,916	56,201	1,148,117	1,112,823	35,294
Resource Room/Resource Center:											
Salaries of Teachers	11-213-100-101	2,914,524	(100,482)	2,814,042	2,812,286	1,756	2,232,031	39,300	2,271,331	2,271,320	11
Employee Benefits	11-213-100-270	554,214	13,234	567,448	544,000	23,448	583,650	(112,467)	471,183	304,171	167,012
Other Purchased Services-(400-500)	11-213-100-500	4,900		4,900	2,775	2,125	500		500	177	323
General Supplies	11-213-100-610	10,125	687	10,812	10,474	338	11,530	176	11,706	7,297	4,409
Textbooks	11-213-100-640	4,200	6,295	10,495	10,438	57	624		624	561	63
Other Objects	11-213-100-800	625	(145)	480	359	121	625		625	625	625
Total Resource Room/Resource Center		3,488,588	(80,411)	3,408,177	3,380,332	27,845	2,828,960	(72,991)	2,755,969	2,583,526	172,443
Autism:											
Salaries of Teachers	11-214-100-101	141,696		141,696	140,598	1,098	131,894	4,742	136,636	126,236	10,400
Other Salaries for Instruction	11-214-100-106	361,690	81,809	443,499	443,499		324,300	(20,400)	303,900	298,642	5,258
Employee Benefits	11-214-100-270	184,952	9,050	194,002	183,270	10,732	216,200	7,950	224,150	208,440	15,710
Purchased Professional - Educational Services	11-214-100-320	120,000	(33,614)	86,386	44,287	42,099	120,000		120,000	66,871	53,129
Other Purchased Services-(400-500)	11-214-100-500	1,950	4,853	6,803	5,862	941	1,450	3,496	4,946	4,561	385
General Supplies	11-214-100-610	13,250	(1,582)	11,668	11,474	194	18,000	649	18,649	15,939	2,710
Other Objects	11-214-100-800	16,989	82	17,071	17,028	43	19,000	(650)	18,350	16,246	2,104
Total Autism		840,527	60,598	901,125	846,018	55,107	830,844	(4,213)	826,631	736,935	89,696
Total Special Education		6,076,031	(16,027)	6,060,004	5,936,106	123,898	7,080,678	(95,987)	6,984,691	6,568,260	416,431
Other Instructional Programs:											
Basic Skills/Remedial - Instruction:											
Salaries of Teachers	11-230-100-101	80,358		80,358	80,358		76,757	(76,757)			
Other Salaries for Instruction	11-230-100-106							76,757	76,757	76,757	
Employee Benefits	11-230-100-270	68,075		68,075	45,668	22,407	64,400	(6,346)	58,054		58,054
General Supplies	11-230-100-610	3,700	57	3,757	2,063	1,694	3,700		3,700	2,639	1,061
Textbooks	11-230-100-640	3,400	(400)	3,000		3,000	3,400		3,400	1,404	1,996
Other Objects	11-230-100-800		80	80	76	4					

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Basic Skills/Remedial Instruction	155,533	(263)	155,270	128,165	27,105	148,257	(6,346)	141,911	80,800	61,111	
Bilingual Education - Instruction:											
Salaries of Teachers	11-240-100-101	81,762	81,762	81,762		78,200		78,200	78,200		
Employee Benefits	11-240-100-270	23,100	23,100	972	22,128	20,600	(8,189)	12,411		12,411	
Other Purchased Services - (400-500 Series)	11-240-100-500	450	450		450	800		800	288	512	
General Supplies	11-240-100-610	2,200	738	2,938	2,097	1,400		1,400	599	801	
Textbooks	11-240-100-640	400	400	262	138	400		400	229	171	
Total Bilingual Education - Instruction		107,912	738	108,650	85,093	23,557	101,400	(8,189)	93,211	79,316	13,895
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	299,050	27,630	326,680	326,680	290,919	13,454	304,373	304,373		
Supplies and Materials	11-401-100-600	77,560	(7,000)	70,560	57,538	13,022					
Other Objects	11-401-100-800					72,469	4,279	76,748	74,780	1,968	
Total School Sponsored Cocurricular Activities		376,610	20,630	397,240	384,218	13,022	363,388	17,733	381,121	379,153	1,968
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	809,958	64,477	874,435	869,799	4,636	813,760	16,147	829,907	827,509	2,398
Purchased Services - (300-500 Series)	11-402-100-500	8,200	8,200	5,851	2,349	8,200	374	8,574	5,735	2,839	
Supplies and Materials	11-402-100-600	169,000	(5,809)	163,191	154,848	8,343	169,500	(1,879)	167,621	158,680	8,941
Other Objects	11-402-100-800	219,500	11,436	230,936	227,337	3,599	209,400	35,156	244,556	244,528	28
Total School Sponsored Athletics - Instruction		1,206,658	70,104	1,276,762	1,257,835	18,927	1,200,860	49,798	1,250,658	1,236,452	14,206
Total Other Instruction		1,846,713	91,209	1,937,922	1,855,311	82,611	1,813,905	52,996	1,866,901	1,775,721	91,180

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total - Instruction	25,887,899	(784,268)	25,103,631	24,511,963	591,668	26,397,770	(257,651)	26,140,119	24,450,091	1,690,028	
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEAs Within State - Regular	11-000-100-561		27,851	27,851	8,567	19,284		164,164	164,164	106,377	57,787
Tuition to Other LEAs Within State Special	11-000-100-562	123,365	301,512	424,877	373,823	51,054	116,250	8,147	124,397	94,743	29,654
Tuition to County Vocational School District - Regular	11-000-100-563	14,000	2,500	16,500	16,500		14,000	(3,000)	11,000	11,000	
Tuition to County Special Services & Regular Day Schools	11-000-100-565	125,000	15,808	140,808	139,582	1,226	385,471	(2,830)	382,641	319,293	63,348
Tuition to Private Schools for the Handicapped - Within the State	11-000-100-566	472,069	(277,988)	194,081	174,958	19,123	414,737	(39,075)	375,662	116,936	258,726
Tuition to Private Schools for the Handicapped-Other LEA's	11-000-100-567		83,264	83,264	68,451	14,813		13,000	13,000	9,178	3,822
Tuition - State Facilities	11-000-100-568	9,000		9,000	9,000		35,250		35,250	35,250	
Tuition Other	11-000-100-569	15,000	9,257	24,257	10,628	13,629	10,000	10,164	20,164	12,022	8,142
Total Instruction	758,434	162,204	920,638	801,509	119,129	975,708	150,570	1,126,278	704,799	421,479	
Attendance/Social Work:											
Salaries	11-000-211-100	126,086		126,086	126,086		119,055		119,055	119,052	3
Employee Benefits	11-000-211-270	53,694		53,694	52,258	1,436	49,400		49,400	39,059	10,341
Supplies and Materials	11-000-211-600	1,000		1,000	122	878	1,000		1,000	605	395
Total Attendance/Social Work	180,780		180,780	178,466	2,314	169,455		169,455	158,716	10,739	
Health Services:											
Salaries	11-000-213-100	206,586	1,519	208,105	207,228	877	215,540	(17,721)	197,819	197,818	1
Employee Benefits	11-000-213-270	33,248	4,212	37,460	17,454	20,006	45,300	3,123	48,423	45,031	3,392
Purchased Professional & Technical Services	11-000-213-300	24,000	2,500	26,500	26,500			24,000	24,000	24,000	
Other Purchased Services - (400-500 Series)	11-000-213-500	600		600		600	800		800	668	132
Supplies and Materials	11-000-213-600	5,000	1,546	6,546	6,546		5,000	4,661	9,661	9,639	22

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Health Services	269,434	9,777	279,211	257,728	21,483	266,640	14,063	280,703	277,156	3,547
Other Support Services - Students - Related Services:										
Salaries 11-000-216-100	244,524	102,585	347,109	337,525	9,584	157,400		157,400	157,400	
Employee Benefits 11-000-216-270	16,783	3,771	20,554	16,125	4,429	31,800	(2,883)	28,917	26,890	2,027
Purchased Professional & Educational Services 11-000-216-320		4,800	4,800	4,800			6,896	6,896	6,896	
Supplies and Materials 11-000-216-600	1,500		1,500	346	1,154	1,000	(1,000)			
Textbooks 11-000-216-640						500	(500)			
Other Objects 11-000-216-800	3,000		3,000	936	2,064		3,183	3,183	3,181	2
Total Other Support Services - Students - Related - Services	265,807	111,156	376,963	359,732	17,231	190,700	5,696	196,396	194,367	2,029
Other Support Services Students - Extraordinary Services:										
Salaries 11-000-217-100	461,674	(44,430)	417,244	417,244						
Employee Benefits 11-000-217-270	310,075	(52,632)	257,443	250,486	6,957					
Total Other Support Services Students - Extraordinary Services	771,749	(97,062)	674,687	667,730	6,957					
Other Support Services - Students - Regular:										
Salaries of Other Professional Staff 11-000-218-104	915,121	(4,264)	910,857	910,856	1	864,521	2,883	867,404	867,403	1
Salaries of Secretarial & Clerical Assistants 11-000-218-105	218,369	5,947	224,316	224,315	1	206,881		206,881	206,880	1
Other Salaries 11-000-218-110	42,000	4,344	46,344	46,344		42,000		42,000	40,431	1,569
Employee Benefits 11-000-218-270	336,136	8,423	344,559	334,419	10,140	345,850	2,600	348,450	324,004	24,446
Other Purchased Services - (400-500 Series) 11-000-218-500	1,000		1,000	190	810	1,150	200	1,350	393	957
Supplies and Materials 11-000-218-600	27,000	3,700	30,700	12,258	18,442	27,700	5,273	32,973	29,129	3,844
Other Objects 11-000-218-800	2,000	(1,000)	1,000	817	183	2,000		2,000	1,961	39
Total Other Support Services - Students - Regular	1,541,626	17,150	1,558,776	1,529,199	29,577	1,490,102	10,956	1,501,058	1,470,201	30,857
Other Support Services - Students - Special Services:										
Salaries of Other Professional Staff 11-000-219-104	935,652	(2,111)	933,541	913,051	20,490	889,326	9,661	898,987	898,510	477
Salaries of Secretarial & Clerical Assistants 11-000-219-105	182,324	(30,741)	151,583	136,467	15,116	173,379		173,379	173,378	1
Other Salaries 11-000-219-110	22,000	3,286	25,286	25,286		139,000	49,391	188,391	188,391	
Employee Benefits 11-000-219-270	239,262		239,262	232,858	6,404	238,800		238,800	222,068	16,732
Purchased Professional - Educational Services 11-000-219-320	80,000	(19,810)	60,190	48,511	11,679	81,631	(37,091)	44,540	43,127	1,413

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Support Services - Students - Special Services (continued):											
Other Purchased Services - (400-500 Series)	11-000-219-592	14,435	(2,078)	12,357	9,661	2,696	14,235	(14)	14,221	12,228	1,993
Supplies and Materials	11-000-219-600	4,898		4,898	4,631	267	4,898	3,006	7,904	7,514	390
Other Objects	11-000-219-800	2,900		2,900	2,859	41	2,900	395	3,295	3,231	64
Total Other Support Services - Students - Special Services		1,481,471	(51,454)	1,430,017	1,373,324	56,693	1,544,169	25,348	1,569,517	1,548,447	21,070
54 Improvement of Instruction Services:											
Salaries of Other Professional Staff	11-000-221-104	145,324		145,324	142,259	3,065	138,824	(1,171)	137,653	136,462	1,191
Salaries of Secretarial & Clerical Assistants	11-000-221-105	130,057	(2,819)	127,238	121,782	5,456	146,994		146,994	146,430	564
Employee Benefits	11-000-221-270	60,726	339	61,065	59,430	1,635	38,100		38,100	35,427	2,673
Total Improvement of Instruction Services		336,107	(2,480)	333,627	323,471	10,156	323,918	(1,171)	322,747	318,319	4,428
Educational Media Services/School Library:											
Salaries of Teachers	11-000-222-100	387,095	(29,527)	357,568	357,296	272	370,870		370,870	370,870	
Employee Benefits	11-000-222-270	157,094		157,094	146,836	10,258	158,100		158,100	88,314	69,786
Other Purchased Services - (400-500 Series)	11-000-222-500	5,400	491	5,891	5,439	452	5,400	(850)	4,550	2,133	2,417
Supplies and Materials	11-000-222-600	93,440	(1,555)	91,885	85,770	6,115	79,848	3,524	83,372	76,396	6,976
Other Objects	11-000-222-800	500	(242)	258	128	130					
Total Educational Media Services/School Library		643,529	(30,833)	612,696	595,469	17,227	614,218	2,674	616,892	537,713	79,179
Instructional Staff Training Services:											
Other Salaries	11-000-223-110	1,000	(149)	851	748	103	2,975		2,975	585	2,390
Other Purchased Professional - Educational Services	11-000-223-320						5,000		5,000	3,850	1,150
Other Purchased Services - (400-500 Series)	11-000-223-500	6,500	(1,308)	5,192	149	5,043	10,500	(1,690)	8,810	878	7,932
Other Objects	11-000-223-800						2,000		2,000	2,000	

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Instructional Staff Training Services	7,500	(1,457)	6,043	897	5,146	20,475	(1,690)	18,785	5,313	13,472	
Support Services General Administration:											
Salaries	11-000-230-100	501,822		501,822	453,443	48,379	469,039	5,889	474,928	474,927	1
Employee Benefits	11-000-230-270	89,626		89,626	80,343	9,283	96,750		96,750	30,239	66,511
Legal Services	11-000-230-331	80,000	(41,129)	38,871	26,817	12,054	80,000	(13,972)	66,028	48,337	17,691
Audit Fees	11-000-230-332	29,000	2,500	31,500	28,000	3,500	29,000	3,800	32,800	27,320	5,480
Other Purchased Professional Services	11-000-230-339	56,000	1,410	57,410	28,484	28,926	56,000	5,374	61,374	46,700	14,674
Communications/Telephone	11-000-230-530	100,000	8,000	108,000	96,662	11,338	137,000	(5,890)	131,110	105,358	25,752
Other Purchased Professional - Services	11-000-230-585	2,000		2,000	1,000	1,000	3,500		3,500	10	3,490
Other Purchased Services - (400-500)	11-000-230-590	92,200	6,468	98,668	97,168	1,500	72,800	14,758	87,558	86,506	1,052
Judgments Against the District	11-000-230-820										
Miscellaneous	11-000-230-890	60,000	17,092	77,092	39,053	38,039	71,000	42,020	113,020	71,361	41,659
BOE Membership Dues & Fees	11-000-230-895	28,350	(20)	28,330	26,950	1,380	31,845	(5,000)	26,845	26,119	726
Total Support Services General Administration		1,038,998	(5,679)	1,033,319	877,920	155,399	1,046,934	46,979	1,093,913	916,877	177,036
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	962,711	83,301	1,046,012	1,045,149	863	1,044,515	(441)	1,044,074	1,043,374	700
Salaries of Other Professional Staff	11-000-240-104	362,927		362,927	362,927		348,485	441	348,926	348,926	
Salaries of Secretarial & Clerical Assistants	11-000-240-105	562,775	571	563,346	514,789	48,557	602,199		602,199	543,418	58,781
Employee Benefits	11-000-240-270	474,837		474,837	462,125	12,712	550,800	283,991	834,791	776,268	58,523
Other Purchased Services - (400-500 Series)	11-000-240-500	3,400	(58)	3,342	1,165	2,177	3,400	(380)	3,020	1,461	1,559
Supplies and Materials	11-000-240-600	45,202	(2,705)	42,497	40,614	1,883	43,467	7,839	51,306	45,662	5,644
Other Objects	11-000-240-800	108,583	(117)	108,466	105,658	2,808	103,965	1,269	105,234	105,234	
Total Support Services School Administration		2,520,435	80,992	2,601,427	2,532,427	69,000	2,696,831	292,719	2,989,550	2,864,343	125,207
Central Services:											
Salaries	11-000-251-100	482,898		482,898	482,897	1	462,420		462,420	459,976	2,444

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**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Central Services (continued):											
Employee Benefits	11-000-251-270	122,954	8,698	131,652	128,126	3,526	161,250	12,765	174,015	161,820	12,195
Miscellaneous Purchased Services (400-500 Series)	11-000-251-592	32,700	(8,961)	23,739	23,132	607	33,000	(34)	32,966	22,975	9,991
Miscellaneous	11-000-251-890	20,000		20,000	18,074	1,926	27,875	955	28,830	7,624	21,206
Total Central Services		658,552	(263)	658,289	652,229	6,060	684,545	13,686	698,231	652,395	45,836
Administrative Information Technology:											
Salaries	11-000-252-100	115,671	4,830	120,501	120,501		113,787	1,250	115,037	115,036	1
Purchased Technical Services	11-000-252-340	41,800	(9,660)	32,140	23,391	8,749	37,000	10,350	47,350	45,728	1,622
Other Purchased Services	11-000-252-500	5,000	(200)	4,800	2,443	2,357	9,000		9,000	482	8,518
Supplies and Materials	11-000-252-600	32,000		32,000	31,741	259	30,000	1,153	31,153	30,988	165
Total Administrative Information Technology		194,471	(5,030)	189,441	178,076	11,365	189,787	12,753	202,540	192,234	10,306
Operations and Maintenance of Plant Services:											
Health Benefits	11-000-260-270	971,679	19,083	990,762	931,655	59,107					
Total Operations and Maintenance of Plant Services		971,679	19,083	990,762	931,655	59,107					
Required Maintenance for School Facilities:											
Salaries	11-000-261-100	617,533	21,711	639,244	634,115	5,129	1,257,403	(4,282)	1,253,121	1,208,576	44,545
Cleaning, Repair & Maintenance Services	11-000-261-420	1,230,385	(58,649)	1,171,736	1,094,982	76,754	1,229,775	(60,531)	1,169,244	870,128	299,116
Total Allowable Maintenance for School Facilities		1,847,918	(36,938)	1,810,980	1,729,097	81,883	2,487,178	(64,813)	2,422,365	2,078,704	343,661
Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	1,128,720	(95,194)	1,033,526	1,013,960	19,566	1,074,808	57,244	1,132,052	1,075,060	56,992
Salaries of Non-Instructional Aids	11-000-262-107		50,187	50,187	50,187						
Employee Benefits	11-000-262-270						973,800	10,798	984,598	915,595	69,003
Rental of Land & Building Other than Lease Purchase Agreement	11-000-262-441	114,000		114,000	114,000		120,000		120,000	112,000	8,000
Other Purchased Property Service	11-000-262-490	120,000		120,000	70,329	49,671	120,000		120,000	72,140	47,860
Insurance	11-000-262-520	155,000	(1,594)	153,406	146,155	7,251	140,000		140,000	107,046	32,954
Miscellaneous Purchased Services	11-000-262-590	1,200		1,200	579	621	1,000	772	1,772	1,772	
General Supplies	11-000-262-610	259,206	2,094	261,300	223,254	38,046	310,985	3,618	314,603	310,814	3,789
Energy (Heat & Electricity)	11-000-262-620						1,498,800	995	1,499,795	1,333,617	166,178
Energy (Natural Gas)	11-000-262-621	475,000	150,300	625,300	443,909	181,391					
Energy (Electricity)	11-000-262-622	1,150,300	(212,495)	937,805	807,683	130,122					
Other Objects	11-000-262-800	370,275	6,849	377,124	319,313	57,811	503,300	32,763	536,063	475,196	60,867
Total Other Operation & Maintenance of Plant		3,773,701	(99,853)	3,673,848	3,189,369	484,479	4,742,693	106,190	4,848,883	4,403,240	445,643

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Care & Upkeep of Grounds:										
Salaries	11-000-263-100	428,255	(25,421)	402,834	402,834					
Cleaning, Repair, & Maintenance Serv	11-000-263-420	160,000	(22,273)	137,727	60,821	76,906				
General Supplies	11-000-263-610	6,000		6,000	5,474	526				
Other Objects	11-000-263-800	124,500	20,000	144,500	131,665	12,835				
Total Care & Upkeep of Grounds		718,755	(27,694)	691,061	600,794	90,267				
Security										
Salaries	11-000-266-100	243,081	12,797	255,878	254,171	1,707				
Total Security		243,081	12,797	255,878	254,171	1,707				
Student Transportation Services:										
Salaries for Pupil Transportation - Non Instructional Aides (Between Home & School - Regular	11-000-270-107	83,530	6,729	90,259	90,259					
Salaries for Pupil Transportation - (Other Than Between Home & School)	11-000-270-160	1,520,412	66,318	1,586,730	1,586,569	161	1,554,522	78,863	1,633,385	1,625,818
Employee Benefits	11-000-270-163	200,000	28,555	228,555	228,522	33	200,000		200,000	199,526
Cleaning, Repair Services	11-000-270-270	1,226,526	(103,259)	1,123,267	1,078,982	44,285	1,630,881	(10,450)	1,620,431	1,006,209
Contracted Services (Between Home & School) - Vendors	11-000-270-420	114,000		114,000	96,678	17,322	50,000	5,808	55,808	55,105
Miscellaneous Purchased Services - Transportation	11-000-270-511	550,000	(45,063)	504,937	121,388	383,549	525,000	46,702	571,702	507,491
Supplies and Materials	11-000-270-593	81,500		81,500	75,247	6,253	90,000	(14,670)	75,330	
Other Objects	11-000-270-600	602,500	703	603,203	528,147	75,056	597,500	(73,841)	523,659	480,985
	11-000-270-800	5,000	1,707	6,707	6,617	90	5,000	1,722	6,722	6,096
Total Student Transportation Services		4,383,468	(44,310)	4,339,158	3,812,409	526,749	4,652,903	34,134	4,687,037	3,881,230
Unallocated Benefits - Employee Benefits:										
Social Security Contributions	11-000-291-220	720,000	70,260	790,260	778,117	12,143	720,000	37,450	757,450	757,450
Other Retirement Contributions - Regular	11-000-291-241	425,000	110,059	535,059	535,059		500,000	(19,406)	480,594	460,734
Unemployment Compensation	11-000-291-250	56,000	(10,304)	45,696	33,720	11,976	100,000	(82,135)	17,865	9,011
Workman's Compensation	11-000-291-260	845,952	(59,956)	785,996	785,996		905,000	150,191	1,055,191	1,055,191
Tuition Reimbursement	11-000-291-280	125,000	(23,333)	101,667	44,231	57,436	115,000	10,179	125,179	86,095
Other Employee Benefits	11-000-291-290	172,218	890,920	1,063,138	1,063,138		137,752	(1,100)	136,652	135,333
Total Unallocated Benefits - Employee Benefits		2,344,170	977,646	3,321,816	3,240,261	81,555	2,477,752	95,179	2,572,931	2,503,814

SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

ACCOUNT NUMBERS	JUNE 30, 2010					POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Nonbudgeted:											
58 On-Behalf TPAF Pension Contribution				1,357,141	(1,357,141)				1,413,271	(1,413,271)	
Reimbursed TPAF Social Security				1,560,564	(1,560,564)				1,544,075	(1,544,075)	
Total Undistributed Expenditures	24,951,665	987,752	25,939,417	27,003,638	(1,064,221)	24,574,008	743,273	25,317,281	25,665,214	(347,933)	
Total Expenditures - Current Expense	50,839,564	203,484	51,043,048	51,515,601	(472,553)	50,971,778	485,622	51,457,400	50,115,305	1,342,095	
Capital Outlay:											
Equipment:											
Special Education - Instruction:											
Behavioral Disabilities	12-209-100-730	4,000	(4,000)				2,000		2,000	2,000	
School Sponsored & Other Instructional Programs	12-4XX-100-730	9,300	(5,475)	3,825	3,825	19,785	(17,236)	2,549	2,549		
Undistributed Expenditures:											
Instructional Equipment	12-000-100-730	134,201	(1,659)	132,542	119,802	12,740	128,040	(10,173)	117,867	76,692	41,175
School Administration	12-000-240-730	21,000	1,500	22,500	5,777	16,723	21,000	(7,141)	13,859	6,100	7,759
Admin Info Tech.	12-000-252-730	103,724	29,660	133,384	125,606	7,778					
Operation & Maintenance of											
Plant Services	12-000-260-730						208,900	(14,835)	194,065	180,270	13,795
Custodial Services	12-000-262-730		64,646	64,646	26,360	38,286					
Care & Upkeep of Grounds	12-000-263-730	123,495	(67,436)	56,059	20,775	35,284					
Student Transportation Equipment	12-000-270-732	20,000	(20,000)				18,000	(2,700)	15,300	2,400	12,900
Non-Instructional Services:											
School Buses - Regular	12-000-270-733	550,000	(50,000)	500,000	494,039	5,961	520,000		520,000	467,286	52,714
Total Equipment		965,720	(52,764)	912,956	796,184	116,772	917,725	(52,085)	865,640	735,297	130,343

**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Facilities Acquisition & Construction Services:											
Construction Services	12-000-400-450	86,000		86,000	86,000	677,900	32,929	710,829	162,322	548,507	
Total Facilities Acquisition & Construction Services		86,000		86,000	86,000	677,900	32,929	710,829	162,322	548,507	
Total Capital Outlay		1,051,720	(52,764)	998,956	796,184	202,772	1,595,625	(19,156)	1,576,469	897,619	678,850
Adult Education - Local - Instruction:											
Other Salaries for Instruction	13-422-100-106	60,000	(59,862)	138	136			45	45	45	
General Supplies	13-422-100-610	2,000	(2,000)								
Total Adult Education - Instruction		62,000	(61,862)	138	136	2		45	45	45	
Accredited Evening/Adult H.S./Post-Grad - Instruction:											
Salaries of Teachers	13-601-100-101						10,805	208	11,013	11,012	1
Other Salaries for Instruction	13-601-100-106		73,376	73,376	48,796	24,580	60,000		60,000	45,168	14,832
General Supplies	13-601-100-610		1,640	1,640	888	752	5,000	370	5,370	2,674	2,696
Total Accredited Evening/Adult H.S./Post-Grad - Instruction			75,016	75,016	49,684	25,332	75,805	578	76,383	58,854	17,529
Accredited Evening/Adult H.S./Post-Grad - Support Services:											
Salaries	13-601-200-100	200,454		200,454	200,454		184,036	1,335	185,371	184,822	549
Personal Services - Employee Benefits	13-601-200-200	40,515		40,515	38,900	1,615	42,500	(1,013)	41,487	918	40,569
Other Purchased Services - (400-500 Series)	13-601-200-500		326	326	326		800		800	16	784
Supplies and Materials	13-601-200-600						5,000		5,000	257	4,743
Other Objects	13-601-200-800						250		250		250
Total Accredited Evening/Adult H.S./Post-Grad - Support Services		240,969	326	241,295	239,680	1,615	232,586	322	232,908	186,013	46,895

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**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Adult Education - Local - Instruction:											
Salaries of Teachers	13-602-100-101	61,100	(1,132)	59,968	50,974	8,994	70,325	(1,293)	69,032	57,957	11,075
General Supplies	13-602-100-610	14,000	263	14,263	14,263		13,000		13,000	12,710	290
Total Adult Education - Instruction		75,100	(869)	74,231	65,237	8,994	83,325	(1,293)	82,032	70,667	11,365
Adult Education - Local - Support Services:											
Salaries	13-602-200-101		1,132	1,132	1,132						
Other Purchased Services - (400-500 Series)	13-602-200-500	80,000	15,203	95,203	56,020	39,183	80,100	21,763	101,863	86,560	15,303
Supplies and Materials	13-602-200-600	4,000		4,000	1,292	2,708	5,000	(1,000)	4,000		4,000
Total Adult Education - Local - Support Services		84,000	16,335	100,335	58,444	41,891	85,100	20,763	105,863	86,560	19,303
Total Special Schools		462,069	28,946	491,015	413,181	77,834	476,816	20,415	497,231	402,094	95,137
Total Expenditures		52,353,353	179,666	52,533,019	52,724,966	(191,947)	53,044,219	486,881	53,531,100	51,415,018	2,116,082
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(4,233,564)	(137,353)	(4,370,917)	(1,473,793)	2,897,124	(4,404,696)	(486,881)	(4,891,577)	1,822,575	6,714,152
Other Financing Sources/(Uses):											
Operating Transfers In:											
Transfer of Interest From Capital Projects					6,051	(6,051)	(1,000)		(1,000)	1,115	(2,115)
Operating Transfers Out:											
Capital Reserve Transfer from/(to) Capital Projects				(1,162,640)		1,162,640					
Interest Earned on Capital Reserve		(1,000)		(1,000)		(1,000)	(669,615)	(1,000)	(670,615)		(670,615)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(4,234,564)	(137,353)	(4,371,917)	(2,630,382)	1,741,535	(5,075,311)	(487,881)	(5,563,192)	1,823,690	7,386,882

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**SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
19 Fund Balances, July 1	11,780,348		11,780,348	11,780,348		9,956,658		9,956,658	9,956,658	
Fund Balances, June 30	<u>\$7,545,784</u>	<u>(137,353)</u>	<u>7,408,431</u>	<u>9,149,966</u>	<u>1,741,535</u>	<u>4,881,347</u>	<u>(487,881)</u>	<u>4,393,466</u>	<u>11,780,348</u>	<u>7,386,882</u>

RECAPITULATION OF FUND BALANCE

Reserve for Encumbrances	\$330,323
Capital Reserve	484,168
Excess Surplus Designated for Subsequent Year's Expenditures	4,763,929
Excess Surplus	1,801,801
Unreserved:	
Designated for Subsequent Year's Expenditures	15,003
Unrestricted Fund Balance	<u>1,754,742</u>
Subtotal	9,149,966
Reconciliation to Governmental Funds Statements (GAAP):	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(295,520)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$8,854,446</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
State Sources	\$7,673	2,004	9,677	9,677		10,938	(1,364)	9,574	9,574	
Federal Sources	797,170	519,871	1,317,041	1,317,041		641,520	34,895	676,415	676,415	
Local Sources		6,451	6,451	6,451			476	476	476	
Total Revenues	804,843	528,326	1,333,169	1,333,169		652,458	34,007	686,465	686,465	
EXPENDITURES:										
Instruction:										
Salaries of Teachers	658,445	377,645	1,036,090	1,036,090		137,855		137,855	137,855	
Purchased Professional - Educational Services	33,289	33,907	67,196	67,196		412,178	34,007	446,185	446,185	
General Supplies	2,750	143,119	145,869	145,869		21,550		21,550	21,550	
Textbooks	2,516	1,911	4,427	4,427		3,145		3,145	3,145	
Total Instruction	697,000	556,582	1,253,582	1,253,582		574,728	34,007	608,735	608,735	
Support Services:										
Salaries for Other Professional Staff	20,328	(18,278)	2,050	2,050		6,000		6,000	6,000	
Personal Services - Employee Benefits	25,547	(4,428)	21,119	21,119		55,070		55,070	55,070	
Purchased Professional - Educational Services	53,712	(9,404)	44,308	44,308		16,585		16,585	16,585	
Other Purchased Services	8,256	(3,191)	5,065	5,065		75		75	75	
Supplies & Materials		4,637	4,637	4,637						
Total Support Services	107,843	(30,664)	77,179	77,179		77,730		77,730	77,730	
Facilities Acquisitions & Construction Services:										
Instructional Equipment		2,408	2,408	2,408						
Total Facilities Acquisitions & Construction Services		2,408	2,408	2,408						
Total Expenditures	804,843	528,326	1,333,169	1,333,169		652,458	34,007	686,465	686,465	
Excess/(Deficiency) of Revenues Over/ Expenditures	-	-	-	-		-	-	-	-	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**SOUTHERN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**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)	\$51,251,173	1,333,169
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		(25,533)
Prior Year		10,753
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	258,320	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(295,520)	
	\$51,213,973	1,318,389
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$51,213,973	1,318,389
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$52,724,966	1,333,169
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(25,533)
Prior Year		10,753
	\$52,724,966	1,318,389
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$52,724,966	1,318,389

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	TITLE I	TITLE I CARRYOVER	TITLE IIA	TITLE IIA CARRYOVER
Revenues:				
State Sources				
Federal Source	\$105,561	21,306	73,035	9,013
Local Source				
Total Revenues	\$105,561	21,306	73,035	9,013
Expenditures:				
Instruction:				
Salaries of Teachers	\$95,555		68,250	
Purchased Professional Services				
General Supplies		44	2,706	
Textbooks				
Total Instruction	95,555	44	70,956	
Support Services:				
Salaries of Other Professional Staff		1,625		
Personal Services - Employee Benefits		11,897		8,533
Purchased Professional Services	7,500	7,740		
Other Purchased Services	2,506		2,079	480
Supplies & Materials				
Total Support Services	10,006	21,262	2,079	9,013
Total Expenditures	\$105,561	21,306	73,035	9,013

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	TITLE II-D	TITLE III CARRYOVER	TITLE IV	TITLE IV CARRYOVER
Revenues:				
State Sources				
Federal Source	\$1,615	493	5,172	1,370
Local Source				
Total Revenues	\$1,615	493	5,172	1,370
Expenditures:				
Instruction:				
Salaries of Teachers			5,089	
Purchased Professional Services			83	
General Supplies	\$1,190	493		681
Textbooks				
Total Instruction	1,190	493	5,172	681
Support Services:				
Salaries of Other Professional Staff	425			
Personal Services - Employee Benefits				689
Purchased Professional Services				
Other Purchased Services				
Supplies & Materials				
Total Support Services	425			689
Total Expenditures	\$1,615	493	5,172	1,370

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

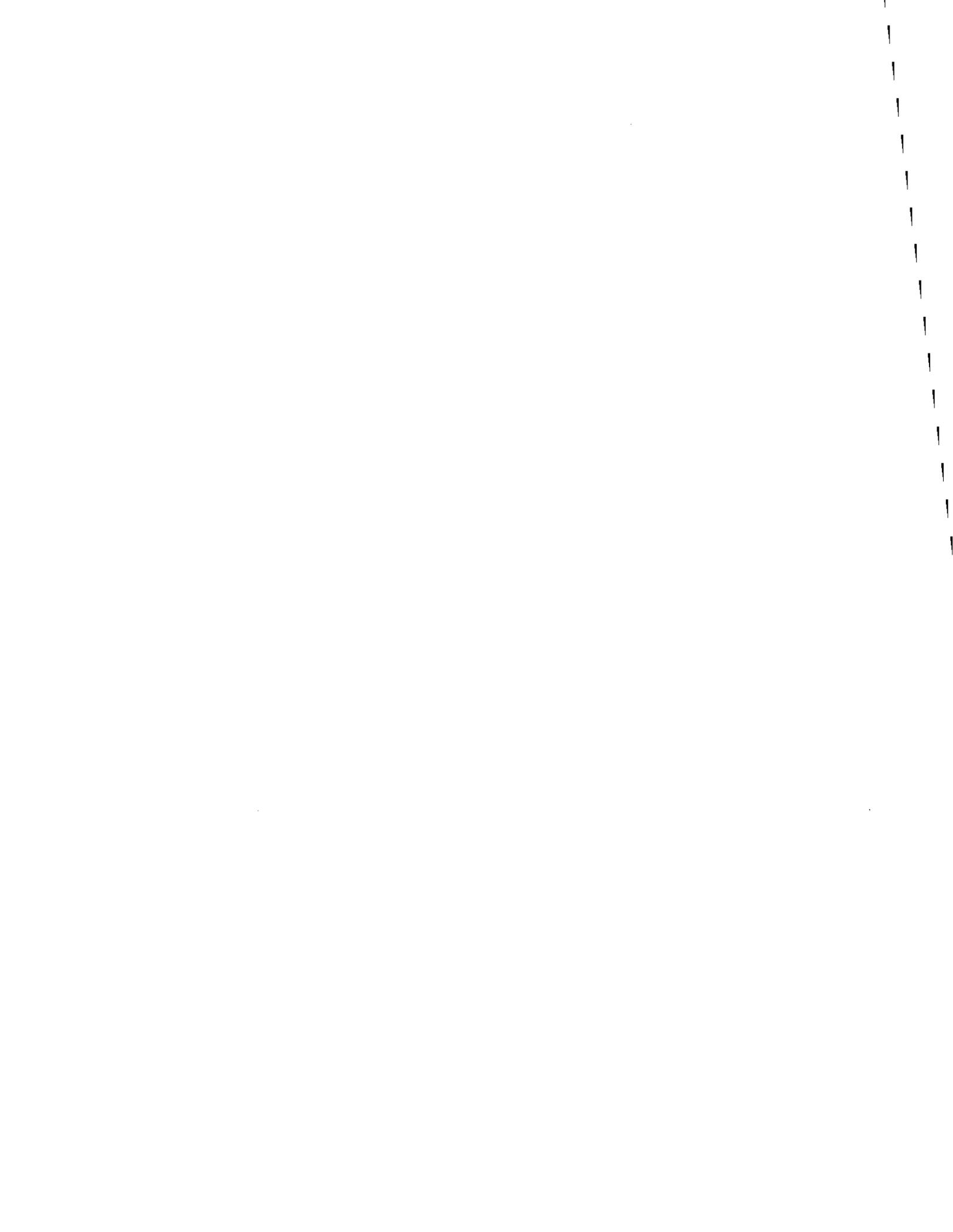
	RECOVERY ACT		NONPUBLIC	
	TITLE I PART A	I.D.E.A. PART B HANDICAPPED	TEXT BOOK	NURSING AID
Revenues:				
State Sources			4,427	5,250
Federal Source	\$119,622	499,160		
Local Source				
Total Revenues	\$119,622	499,160	4,427	5,250
Expenditures:				
Instruction:				
Salaries of Teachers		446,464		5,250
Purchased Professional Services		10,949		
General Supplies	\$108,102	26,202		
Textbooks			4,427	
Total Instruction	108,102	483,615	4,427	5,250
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits				
Purchased Professional Services	11,520	8,500		
Other Purchased Services				
Supplies & Materials		4,637		
Total Support Services	11,520	13,137		
Facilities Acquisitions & Construction Services:				
Instructional Equipment		2,408		
Total Facilities Acquisitions & Construction Services		2,408		
Total Expenditures	\$119,622	499,160	4,427	5,250

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	I.D.E.A. PART B HANDICAPPED	I.D.E.A. PART B HANDICAPPED CARRYOVER	LOCAL DODGE GRANT	LOCAL AUTISM GRANT
Revenues:				
State Sources				
Federal Source	\$426,409	54,285		
Local Source			1,944	4,507
	<hr/>			
Total Revenues	\$426,409	54,285	1,944	4,507
<hr/>				
Expenditures:				
Instruction:				
Salaries of Teachers	\$415,482			
Purchased Professional Services	1,879	54,285		
General Supplies			1,944	4,507
Textbooks				
	<hr/>			
Total Instruction	417,361	54,285	1,944	4,507
<hr/>				
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits				
Purchased Professional Services	9,048			
Other Purchased Services				
Supplies & Materials				
	<hr/>			
Total Support Services	9,048			
<hr/>				
Facilities Acquisitions & Construction Services:				
Instructional Equipment				
	<hr/>			
Total Facilities Acquisitions & Construction Services				
<hr/>				
Total Expenditures	\$426,409	54,285	1,944	4,507
<hr/>				

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	2010	2009
Revenues:		
State Sources	\$9,677	9,574
Federal Source	1,317,041	676,415
Local Source	6,451	476
	<hr/>	<hr/>
Total Revenues	\$1,333,169	686,465
	<hr/> <hr/>	<hr/> <hr/>
Expenditures:		
Instruction:		
Salaries of Teachers	\$1,036,090	137,855
Purchased Professional Services	67,196	446,185
General Supplies	145,869	21,550
Textbooks	4,427	3,145
	<hr/>	<hr/>
Total Instruction	1,253,582	608,735
	<hr/> <hr/>	<hr/> <hr/>
Support Services:		
Salaries of Other Professional Staff	2,050	6,000
Personal Services - Employee Benefits	21,119	55,070
Purchased Professional Services	44,308	16,585
Other Purchased Services	5,065	75
Supplies & Materials	4,637	
	<hr/>	<hr/>
Total Support Services	77,179	77,730
	<hr/> <hr/>	<hr/> <hr/>
Facilities Acquisitions & Construction Services:		
Instructional Equipment	2,408	
	<hr/>	<hr/>
Total Facilities Acquisitions & Construction Services	2,408	
	<hr/> <hr/>	<hr/> <hr/>
Total Expenditures	\$1,333,169	686,465



F. Capital Projects Fund

SOUTHERN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY STATEMENT OF PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2010

PROJECT	DATE	APPROPRIATION	EXPENDITURES TO DATE		UNEXPENDED BALANCE
			PRIOR YEAR	CURRENT YEAR	
Middle School HVAC	2004	\$5,604,496	5,276,638		327,858
Middle School Roof	2009	1,937,734		1,937,734	
	Total	\$7,542,230	5,276,638	1,937,734	327,858

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, 2010

Revenues & Other Financing Sources:	
State Sources - SCC Grant	\$775,094
Transfer from Capital Reserve	1,162,640
Interest Earned	6,051
	<u> </u>
Total Revenues	1,943,785
	<u> </u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	142,793
Construction Services	1,794,941
	<u> </u>
Total Expenditures	1,937,734
	<u> </u>
Other Financing Sources/(Uses):	
Operating Transfers Out:	
Transfer of Interest To General Fund	(6,051)
	<u> </u>
Total Other Financing Sources/(Uses)	(6,051)
	<u> </u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	
Fund Balance - Beginning	327,858
	<u> </u>
Fund Balance - Ending	\$327,858
	<u> </u>

SOUTHERN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
 PROJECT STATUS--BUDGETARY BASIS
 MIDDLE SCHOOL HVAC
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$2,091,816		2,091,816	
Tax Levy	2,400,000		2,400,000	
Transfer from Capital Reserve	737,724		737,724	
Transfer from General Fund	374,956		374,956	
	<hr/>			
Total Revenues	5,604,496		5,604,496	
Expenditures & Other Financing Uses:				
Purchased Professional & Technical		184,977	184,977	
Purchased Professional & Technical	184,977		184,977	
Construction Services	5,091,661		5,091,661	
	<hr/>			
Total Expenditures & Other Financir	5,276,638		5,276,638	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures				
	\$327,858	-	327,858	-
	<hr/>			

ADDITIONAL PROJECT INFORMATION

Project Number	4950-060-04-1000
Grant Date	April 2004
Grant Award	\$2,091,816
Original Authorized Cost	\$5,229,540
Additional Authorized Cost	\$150,304
Revised Authorized Cost	\$5,379,844
Percentage Increase Over Original Authorized Cost	3%
Percentage Completion	92%
Original Target Completion Date	August 2007
Revised Target Completion Date	November 2007

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
MIDDLE SCHOOL ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ -	775,094	775,094	775,094
Tax Levy				
Transfer from Capital Reserve		1,162,640	1,162,640	1,630,721
Transfer from General Fund				
Total Revenues		1,937,734	1,937,734	2,405,815
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Purchased Professional & Technical Services		142,793	142,793	297,472
Construction Services		1,794,941	1,794,941	2,108,343
Total Expenditures & Other Financing		1,937,734	1,937,734	2,405,815
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	-	-	-

ADDITIONAL PROJECT INFORMATION

Project Number	#4950-060-09-0ZDO
Grant Date	July 2009
Grant Award	\$775,094
Original Authorized Cost	\$2,717,868
Additional Authorized Cost	
Revised Authorized Cost	\$2,717,868
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	September 2009
Revised Target Completion Date	December 2009

G. Proprietary Funds

Enterprise Funds

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2010	2009
Current Assets:			
Cash & Cash Equivalents	\$188,682	188,682	183,395
Accounts Receivable:			
State	676	676	641
Federal	11,595	11,595	9,300
Other			1,878
Inventories	14,611	14,611	27,138
Total Current Assets	215,564	215,564	222,352
Noncurrent Assets:			
Equipment	491,790	491,790	491,790
Less: Accumulated Depreciation	(386,492)	(386,492)	(363,758)
Total Noncurrent Assets	105,298	105,298	128,032
Total Assets	320,862	320,862	350,384
NET ASSETS			
Investments in Capital Assets - Net of Related Debt	105,298	105,298	128,032
Unreserved Net Assets	215,564	215,564	222,352
Total Net Assets	\$320,862	320,862	350,384

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	2010	2009
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$715,452	715,452	747,185
Daily Sales Nonreimbursable Programs:			
School Lunch Program	106,563	106,563	50,077
Total Operating Revenue	822,015	822,015	797,262
Operating Expenses:			
Cost of Sales	439,949	439,949	399,012
Salaries	346,429	346,429	360,915
Payroll Tax Expense & Other Employee Benefits	93,329	93,329	111,405
Purchased Property Services	116,530	116,530	96,493
Cleaning, Repair & Maintenance Services	14,461	14,461	23,776
General Supplies	56,497	56,497	51,703
Insurance	15,589	15,589	18,289
Depreciation	22,734	22,734	21,217
Office Expense	12,351	12,351	5,187
Total Operating Expenses	1,117,869	1,117,869	1,087,997
Operating Income/(Loss)	(295,854)	(295,854)	(290,735)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	11,088	11,088	11,370
State School Breakfast Program	590	590	776
Federal Sources:			
National School Lunch Program	190,015	190,015	163,303
National School Breakfast Program	5,054	5,054	5,729
Food Distribution Program	59,585	59,585	47,903
Interest Income			1,905
Total Nonoperating Revenues	266,332	266,332	230,986
Net Income/(Loss)	(29,522)	(29,522)	(59,749)
Net Assets - July 1, as Previously Stated	350,384	350,384	455,608
Prior Period Adjustment			(45,475)
Net Assets - July 1, as Restated	350,384	350,384	410,133
Net Assets - June 30	\$320,862	320,862	350,384

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2010	2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$823,893	823,893	798,879
Payments to Employees	(346,429)	(346,429)	(360,915)
Payments for Employee Benefits	(93,329)	(93,329)	(111,405)
Payments to Suppliers	(642,850)	(642,850)	(626,309)
	<u>(258,715)</u>	<u>(258,715)</u>	<u>(299,750)</u>
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Noncapital Financing Activities:			
Cash Received From State Reimbursements	11,643	11,643	17,273
Cash Received From Federal Reimbursements	252,359	252,359	208,086
	<u>264,002</u>	<u>264,002</u>	<u>225,359</u>
Net Cash Provided by Noncapital Financing Activities			
Cash Flows From Capital & Related Financing Activities:			
Acquisition of Capital Assets			(45,509)
			<u>(45,509)</u>
Net Cash Used by Capital & Related Financing Activities			
Cash Flows From Investing Activities:			
Interest			1,905
			<u>1,905</u>
Net Cash Provided from Investing Activities			
Net Increase/(Decrease) in Cash & Cash Equivalents	5,287	5,287	(117,995)
Balances - Beginning of Year	183,395	183,395	301,390
Balances - Ending of Year	<u>\$188,682</u>	<u>188,682</u>	<u>183,395</u>

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

Operating Income/(Loss)	(\$295,854)	(295,854)	(290,735)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	22,734	22,734	21,217
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	1,878	1,878	1,617
(Increase)/Decrease in Inventory	12,527	12,527	(2,421)
(Increase)/Decrease in Prepaid Expenses			6,188
Increase/(Decrease) in Accounts Payable			(35,616)
	<u>37,139</u>	<u>37,139</u>	<u>(9,015)</u>
Total Adjustments			
Net Cash Provided/(Used) by Operating Activities	<u>(\$258,715)</u>	<u>(258,715)</u>	<u>(299,750)</u>

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**SOUTHERN REGIONAL SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	PRIVATE PURPOSE		AGENCY		2010	2009
	SCHOLARSHIPS	UNEMPLOYMENT FUND	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$118,226	9,776	394,240	305,421	827,663	793,611
Interfund Receivable		8,352			8,352	8,352
Total Assets	118,226	18,128	394,240	305,421	836,015	801,963
LIABILITIES						
Accounts Payable		6,067			6,067	8,453
Interfund Payable				37,466	37,466	26,200
Due to Student Groups			394,240		394,240	408,146
Payroll Deductions & Withholdings				267,955	267,955	255,456
Total Liabilities		6,067	394,240	305,421	705,728	698,255
NET ASSETS						
Reserved for:						
Scholarships	118,226				118,226	103,708
Unemployment Claims & Other Purposes		12,061			12,061	
Total Net Assets	\$118,226	12,061	-	-	130,287	103,708

SOUTHERN REGIONAL SCHOOL DISTRICT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)

ADDITIONS	PRIVATE PURPOSE		2010	2009
	SCHOLARSHIP FUND	UNEMPLOYMENT TRUST		
Local Sources:				
Contributions	\$99,442	79,557	178,999	113,967
Total Contributions	99,442	79,557	178,999	113,967
Investment Earnings:				
Interest - Checking		70	70	124
Net Investment Earnings		70	70	124
Total Additions	99,442	79,627	179,069	114,091
DEDUCTIONS				
Quarterly Contribution Reports Scholarships Awarded	84,924	67,566	67,566	150,893
Total Deductions	84,924	67,566	152,490	150,893
Change in Net Assets	14,518	12,061	26,579	(36,802)
Net Assets - Beginning of the Year	103,708		103,708	140,510
Net Assets - End of the Year	\$118,226	12,061	130,287	103,708

EXHIBIT H-3

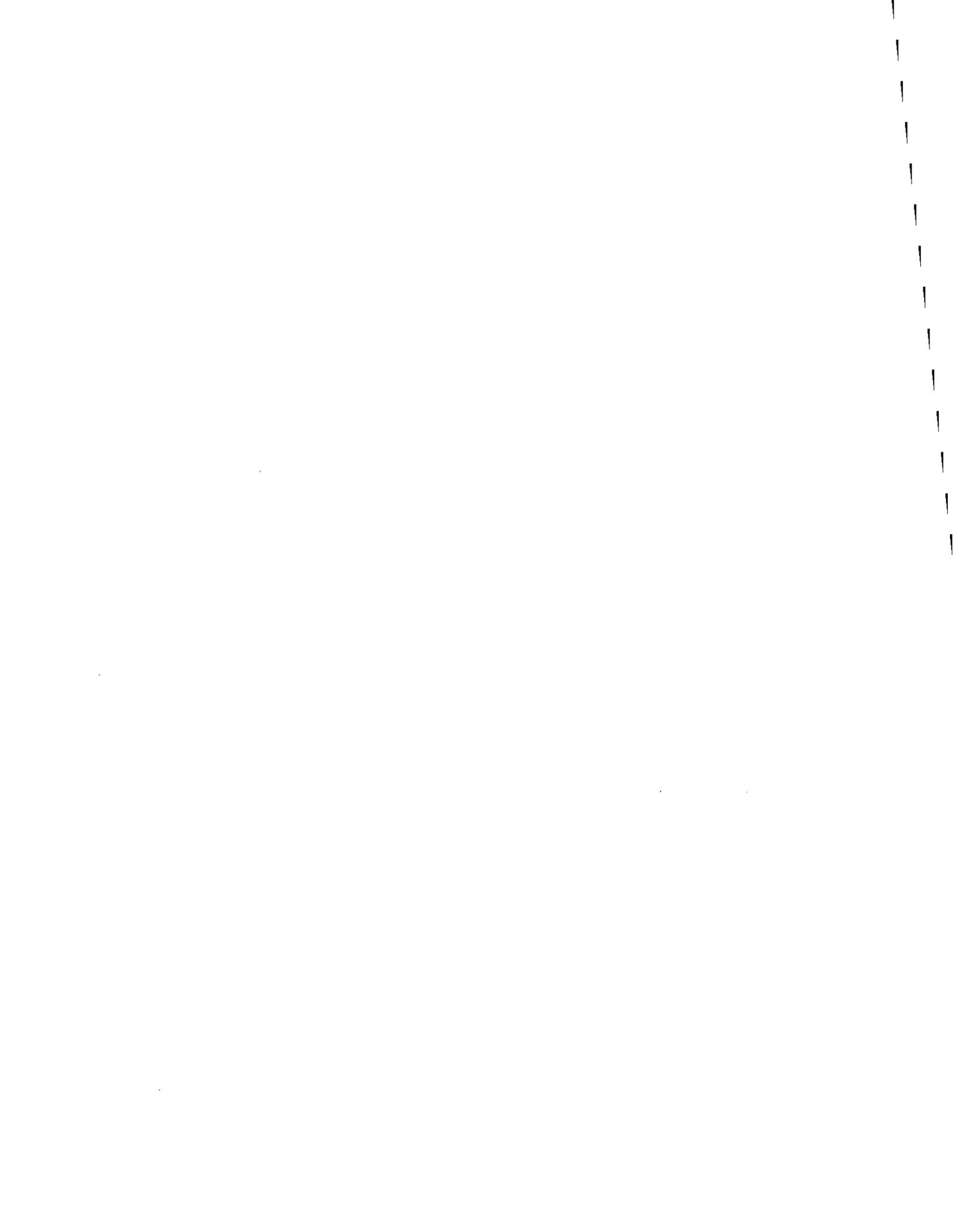
**SOUTHERN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BALANCE JULY 1, 2009	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2010
Middle School	\$162,924	351,131	409,992	104,063
High School	243,016	854,583	807,621	289,978
Adult School	2,206	10,525	12,532	199
Total	\$408,146	1,216,239	1,230,145	394,240

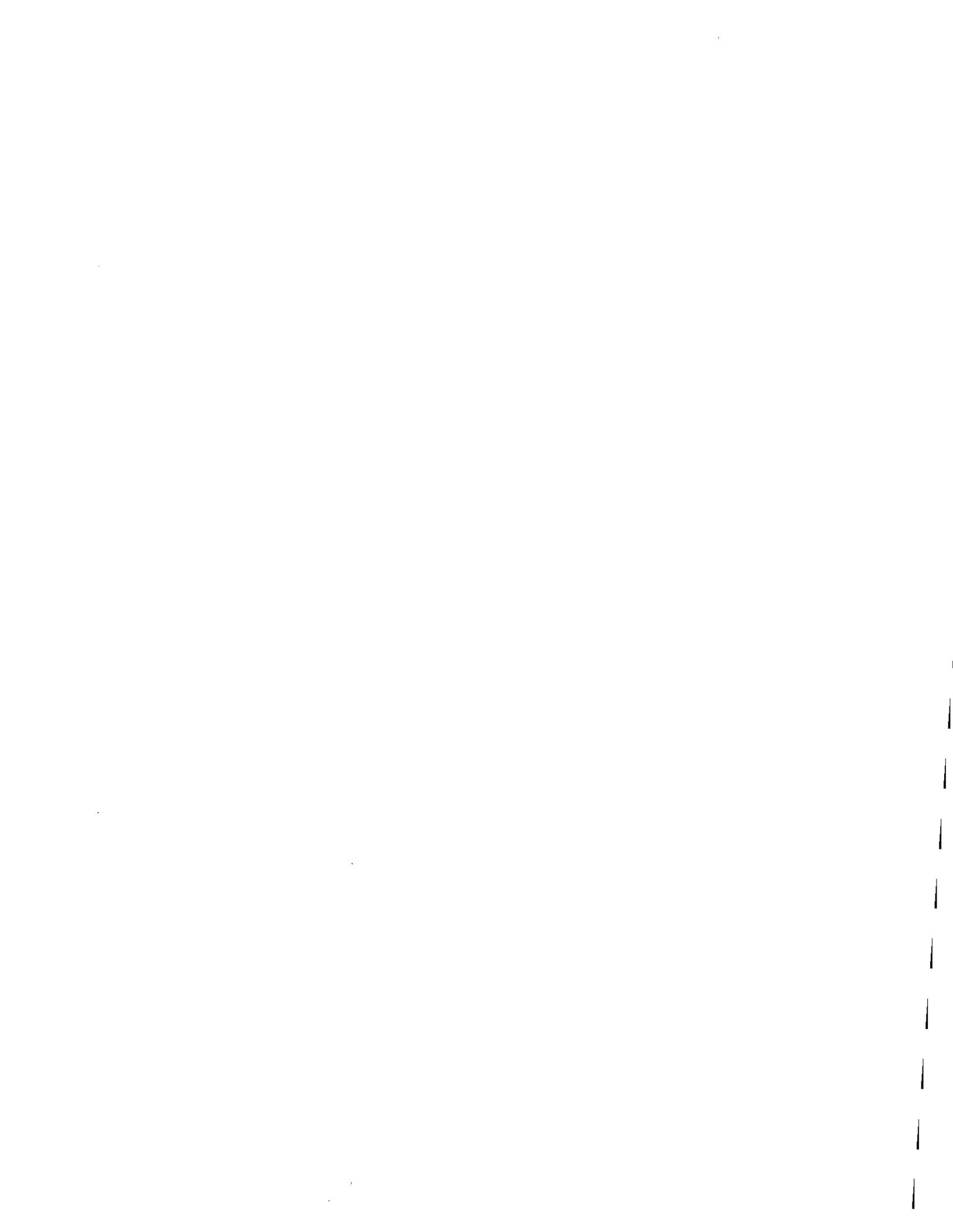
EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
ASSETS				
Cash & Cash Equivalents	\$281,656	34,691,922	34,668,157	305,421
Total Assets	\$281,656	34,691,922	34,668,157	305,421
LIABILITIES				
Payroll Deductions & Withholdings	\$255,456	267,955	255,456	267,955
Interfund Payable	26,200	34,423,967	34,412,701	37,466
Total Liabilities	\$281,656	34,691,922	34,668,157	305,421



I. Long-Term Debt



SOUTHERN REGIONAL SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 JUNE 30, 2010

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	<u>ANNUAL MATURITIES</u>		INTEREST RATE	BALANCE JULY 1, 2009	ISSUED	PAYMENTS	BALANCE JUNE 30, 2010
			DATE	AMOUNT					
School District Refunding Bond	1/15/2002	\$16,970,000	09/01/2010	\$1,660,000	4.00%	\$13,100,000		1,680,000	11,420,000
			09/01/2011	1,645,000	4.50%				
			09/01/2012	1,635,000	5.00%				
			09/01/2013	1,630,000	5.25%				
			09/01/2014	1,625,000	5.00%				
			09/01/2015	1,615,000	5.00%				
			09/01/2016	1,610,000	4.75%				
Total						<u>\$13,100,000</u>		<u>1,680,000</u>	<u>11,420,000</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$2,259,647		2,259,647	2,259,647		2,349,491		2,349,491	2,349,491	
Miscellaneous				40	40				32	32
Total Revenues	2,259,647		2,259,647	2,259,687	40	2,349,491		2,349,491	2,349,523	32
Expenditures										
Regular Debt Service:										
Interest	579,825		579,825	579,825		649,550		649,550	649,550	
Redemption of Principal	1,680,000		1,680,000	1,680,000		1,700,000		1,700,000	1,700,000	
Total Expenditures	2,259,825		2,259,825	2,259,825		2,349,550		2,349,550	2,349,550	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(178)		(178)	(138)	40	(59)		(59)	(27)	32
Fund Balance, July 1	151		151	151		178		178	178	
Fund Balance, June 30	(\$27)	-	(27)	13	40	119	-	119	151	32

STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$18,919,708	12,259,741	11,319,136	14,020,818	12,162,969	4,899,004	5,406,382	4,074,048
Restricted:								
Debt Service	(182,062)	(204,324)	(228,380)	(254,224)	166,079	4,533	4,450	78,197
Capital Projects					584,916	4,923,399	66,623	1,148,326
Other					(4,859)			177,835
Unrestricted	6,559,978	9,326,450	7,514,009	3,961,306	966,447	1,205,547	2,275,419	873,061
Total Governmental Activities Net Assets	<u>\$25,297,624</u>	<u>21,381,867</u>	<u>18,604,765</u>	<u>17,727,900</u>	<u>13,875,552</u>	<u>11,032,483</u>	<u>7,752,874</u>	<u>6,351,467</u>
Business-Type Activities:								
Invested in Capital Assets, Net of Related Debt	\$105,298	128,032	149,215	156,226	202,494			25,771
Unrestricted	215,564	222,352	306,393	311,560	327,909	406,521	415,697	364,202
Total Business-Type Activities Net Assets	<u>\$320,862</u>	<u>350,384</u>	<u>455,608</u>	<u>467,786</u>	<u>530,403</u>	<u>406,521</u>	<u>415,697</u>	<u>389,973</u>
District-Wide:								
Invested in Capital Assets, Net of Related Debt	\$19,025,006	12,387,773	11,468,351	14,177,044	12,365,463	4,899,004	5,406,382	4,099,819
Restricted	(182,062)	(204,324)	(228,380)	(254,224)	746,136	4,927,932	71,073	1,404,358
Unrestricted	6,775,542	9,548,802	7,820,402	4,272,866	1,294,356	1,612,068	2,691,116	1,237,263
Total District Net Assets	<u>\$25,618,486</u>	<u>21,732,251</u>	<u>19,060,373</u>	<u>18,195,686</u>	<u>14,405,955</u>	<u>11,439,004</u>	<u>8,168,571</u>	<u>6,741,440</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Governmental Activities								
Instruction:								
Regular	\$17,959,348	16,704,092	16,698,931	17,349,638	17,876,455	20,254,124	21,074,528	19,009,253
Special Education	5,936,106	6,568,260	5,330,143	5,704,436	5,604,884	6,038,379	5,434,973	4,825,680
Basic Skills/Remedial	213,258	160,116	78,422	73,379	108,324	115,664	193,091	137,407
Vocational						819	3,875	
Other Special Education	1,642,053	1,615,605	1,483,444	1,555,701	1,583,441	1,823,365	1,466,985	1,397,229
Support Services:								
Tuition	801,509	704,799	844,710	1,537,342	1,728,230	1,315,850	1,349,434	1,198,056
Student & Instruction Related Services	5,286,016	4,510,232	4,070,170	4,408,113	4,505,788	5,213,379	4,618,878	4,380,408
School Administrative Services	2,609,606	2,942,073	2,727,577	2,802,857	2,813,181	1,054,599	1,403,626	1,337,663
General & Business Administrative Services	877,920	916,877	1,194,416	1,091,227	1,129,606	3,285,384	3,430,269	3,168,142
Plant Operations & Maintenance	6,705,086	6,481,944	6,791,713	6,194,119	6,099,486	7,024,635	5,432,870	5,062,420
Central Services	652,229	652,395	635,437	659,107	693,228			
Other Administrative Services	178,076	192,234	263,343	318,356	202,328			
Pupil Transportation	3,812,409	3,881,230	4,430,665	4,120,537	3,594,685	3,245,910	3,259,803	2,894,927
Business & Other Support Services						373,317	642,258	
Unallocated Benefits	6,157,966	5,461,160	6,573,247	7,043,369	5,173,897			
Unallocated Compensated Absences	34,223	(182,436)	(1,028,827)	77,569	377,353			
Unallocated Other Deletions & Retirements of Capital Assets		129,689	3,651,909					
Unallocated Depreciation	1,380,963	1,527,325	1,465,904	2,022,862	1,500,000	1,434,829	1,423,123	1,327,506
Special Schools	413,181	402,094	382,280	396,240	423,792	491,872	449,509	1,135,160
Interest on Long-Term Debt	557,425	625,467	698,537	777,800	866,875	1,284,528	881,280	1,105,268
Amortization of Debt Issuance Costs	64,667	59,808	64,667	64,665	64,667			
Total Governmental Activities Expenses	55,282,041	53,352,964	56,356,688	56,197,317	54,346,220	52,956,654	51,064,502	46,979,119
Business-Type Activities:								
Food Service	1,117,869	1,087,997	1,011,984	1,063,677	1,058,527	1,091,974	1,069,533	1,045,104
Total Business-Type Activities Expense	1,117,869	1,087,997	1,011,984	1,063,677	1,058,527	1,091,974	1,069,533	1,045,104
Total District Expenses	\$56,399,910	54,440,961	57,368,672	57,260,994	55,404,747	54,048,628	52,134,035	48,024,223
Program Revenues:								
Governmental Activities:								
Regular Instruction	\$1,238,802	597,982	1,020,084	779,651	865,612	847,233	510,720	635,838
School Administrative Services	77,179	77,730	154,771	48,927	86,653	83,287	188,035	233,187
Total Governmental Activities Program Revenues	1,315,981	675,712	1,174,855	828,578	952,265	930,520	698,755	869,025
Business-Type Activities:								
Charges for Services:								
Food Service	822,015	797,262	787,857	803,500	824,848	225,751	237,618	218,362
Operating Grants & Contributions	266,332	229,081	203,366	200,737	235,409			
Total Business Type Activities Program Revenues	1,088,347	1,026,343	991,223	1,004,237	1,060,257	225,751	237,618	218,362
Total District Program Revenues	\$2,404,328	1,702,055	2,166,078	1,832,815	2,012,522	1,156,271	936,373	1,087,387

**SOUTHERN REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue:								
Governmental Activities	(\$53,966,060)	(52,677,252)	(55,181,833)	(55,368,739)	(53,393,955)	(52,026,134)	698,755	869,025
Business-Type Activities	(29,522)	(61,654)	(20,761)	(59,440)	1,730	(866,223)	237,618	218,362
Total District-Wide Net Expense	(\$53,995,582)	(52,738,906)	(55,202,594)	(55,428,179)	(53,392,225)	(52,892,357)	936,373	1,087,387
General Revenues & Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$36,735,660	37,110,642	36,610,642	34,866,771	33,256,225	34,205,863		
Taxes Levied for Debt Service	2,259,647	2,349,491	2,439,263	2,321,479	2,649,388	2,487,675		
Federal & State Aid Not Restricted	6,460,768	5,904,076	7,684,721	7,748,012	5,809,844	5,565,316		
Tuition Received	7,797,202	8,546,745	7,861,382	9,459,071	11,446,113	13,271,936		
Transportation Fees	638,431	1,054,288	777,852	698,431	605,774			
Investment Earnings	6,935	15,003	7,413	5,807				
Adjustment of Prior Year Accrued Interest							(158,470)	
Adjustment of Prior Year Debt Issuance Costs							711,333	
Adjustment of Prior Year Capital Assets	3,624,604						1,297,768	
Miscellaneous Income	358,570	474,109	677,425	926,785	610,704	589,947		
Total Governmental Activities	57,881,817	55,454,354	56,058,698	56,026,356	54,378,048	57,971,368		
Business-Type Activities:								
Investment Earnings		1,905	8,583	16,638	13,369	122,149		
Total Business-Type Activities		1,905	8,583	16,638	13,369	122,149		
Total District-Wide	\$57,881,817	55,456,259	56,067,281	56,042,994	54,391,417	58,093,517		
Change in Net Assets:								
Governmental Activities	\$3,915,757	2,777,102	876,865	657,617	984,093	5,945,234	698,755	869,025
Business-Type Activities	(29,522)	(59,749)	(12,178)	(42,802)	15,099	(744,074)	237,618	218,362
Total District	\$3,886,235	2,717,353	864,687	614,815	999,192	5,201,160	936,373	1,087,387

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

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:								
Reserved	\$7,380,221	9,699,507	8,696,138	5,640,967	3,404,694	4,067,893	2,183,110	2,908,144
Unreserved	1,474,225	1,822,521	1,136,077	1,602,706	1,566,125	696,603	3,351,564	2,874,195
Total General Fund	\$8,854,446	11,522,028	9,832,215	7,243,672	4,970,819	4,764,496	5,534,674	5,782,339
All Other Governmental Funds:								
Reserved			203	24,710	358,304			
Unreserved, Reported in:								
Special Revenue Fund			(4,859)	(4,859)	(4,859)		(14,342)	(14,342)
Capital Projects Fund	\$327,858	327,858	327,655	522,971	226,612	4,923,399	66,623	48,326
Debt Service Fund	13	151	178	59	166,079	4,533	4,450	78,197
Total All Other Governmental Funds	\$327,871	328,009	323,177	542,881	746,136	4,927,932	56,731	112,181

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Tax Levy	\$38,995,307	39,460,133	39,049,905	37,188,250	35,905,613	34,293,596	30,147,277	26,313,192	24,913,334	22,266,231
Tuition Charges	7,797,202	8,546,745	7,861,382	9,459,071	11,446,113	13,271,936	16,429,495	16,326,904	14,832,547	14,046,306
Transportation Fees	638,431	1,054,288	777,852	698,431	605,774	543,064	507,950	774,167	693,074	681,809
Interest Earnings	6,935	16,118	7,413	5,807		115,526	27,498	47,287	68,246	233,029
Miscellaneous	358,570	472,994	677,425	926,785	610,704	32,680	57,168	25,921	29,815	114,504
State Sources	6,473,361	5,914,126	8,145,088	7,883,263	5,932,961	5,437,148	5,492,766	4,698,199	3,464,680	4,084,392
Federal Sources	1,303,388	665,662	714,488	693,327	829,148					
Total Revenue	55,573,194	56,130,066	57,233,553	56,854,934	54,501,165	53,693,950	52,662,154	48,185,670	44,001,696	41,426,271
Expenditures:										
Instruction:										
Regular Instruction	17,959,348	16,704,092	16,698,931	17,349,638	17,876,455	14,139,902	15,521,802	14,143,662	13,396,689	12,754,467
Special Education Instruction	5,936,106	6,568,260	5,330,143	5,704,436	5,604,884	4,156,972	3,624,592	3,312,859	2,969,484	2,638,980
Basic Skills/Remedial Instruction	213,258	160,116	78,422	73,379	108,324	84,000	143,774	122,553	126,491	109,078
Other Instruction	1,642,053	1,615,605	1,483,444	1,555,701	1,583,441	1,390,935	1,355,011	1,288,474	1,190,644	1,101,548
Support Services:										
Tuition	801,509	704,799	844,710	1,537,342	1,728,230	1,315,850	1,349,434	1,198,056	1,150,665	1,804,468
Student & Instruction Related Services	5,286,016	4,510,232	4,070,170	4,408,113	4,505,788	3,660,040	3,240,212	3,119,266	2,978,271	2,919,674
School Administrative Services	2,609,606	2,942,073	2,727,577	2,802,857	2,813,181	2,310,581	2,913,650	2,606,276	2,335,281	2,162,194
General & Business Administration Services	877,920	916,877	1,194,416	1,091,227	1,129,606	1,792,618	1,779,704	1,606,959	1,451,574	1,568,313
Plant Operations & Maintenance	6,705,086	6,481,944	6,791,713	6,194,119	6,099,486	5,346,636	4,523,746	4,300,097	3,943,999	3,951,445
Pupil Transportation	3,812,409	3,881,230	4,430,665	4,120,537	3,594,685	2,583,023	2,354,587	2,069,984	1,991,519	1,758,999
Other Support Services	830,305	844,629	898,780	977,463	895,556					
Unallocated Benefits	6,157,966	5,461,160	6,573,247	7,043,369	5,173,897	12,782,413	10,840,071	9,387,377	7,390,954	6,500,682
Special Schools	413,181	402,094	382,280	396,240	423,792	337,574	449,510	358,699	392,104	390,955
Capital Outlay	2,736,326	897,619	920,954	2,369,372	5,375,066	1,223,084	2,374,945	1,445,690	1,800,123	2,654,822
Debt Service:										
Principal	1,680,000	1,700,000	1,715,000	1,680,000	1,615,000	1,510,000	1,410,000	1,200,000	1,100,000	1,000,000
Interest & Other Charges	579,825	649,550	724,262	807,700	895,525	977,675	1,053,600	1,221,938	770,467	1,345,300
Total Expenditures	58,240,914	54,440,280	54,864,714	58,111,493	59,422,916	53,611,303	52,934,638	47,381,890	42,988,265	42,660,925

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
∞ Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(2,667,720)</u>	<u>1,689,786</u>	<u>2,368,839</u>	<u>(1,256,559)</u>	<u>(4,921,751)</u>	<u>82,647</u>	<u>(272,484)</u>	<u>803,780</u>	<u>1,013,431</u>	<u>(1,234,654)</u>
Other Financing Sources/(Uses):										
Transfers in	1,168,691	1,115	7,413	380,763	22,531			18,824	32,011	93,736
Transfers Out	<u>(1,168,691)</u>	<u>(1,115)</u>	<u>(7,413)</u>	<u>(380,763)</u>	<u>(22,531)</u>	<u>(738,024)</u>				
Total Other Financing Sources/(Uses)						<u>(738,024)</u>		<u>18,824</u>	<u>32,011</u>	<u>93,736</u>
Net Change in Fund Balances	<u>(\$2,667,720)</u>	<u>1,689,786</u>	<u>2,368,839</u>	<u>(1,256,559)</u>	<u>(4,921,751)</u>	<u>(655,377)</u>	<u>(272,484)</u>	<u>822,604</u>	<u>1,045,442</u>	<u>(1,140,918)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.2%	4.6%	4.7%	4.7%	4.9%	5.0%	5.1%	5.6%	4.8%	6.2%

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
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
2007	218,940		707,845	926,785
2006	213,590		397,114	610,704
2005	115,526		46,883	162,409
2004	27,498		57,168	84,666
2002	\$68,182		29,815	97,997
2002	68,182		29,815	97,997
2001	233,029		114,504	347,533
Total	<u>\$1,287,044</u>	<u>245,151</u>	<u>2,371,602</u>	<u>3,903,797</u>

**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: TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
2010	34,515,700	920,968,900	39,078,400	1,156,800	995,719,800	139,734,400	855,985,400	N/A
2009	33,914,600	999,574,100	44,462,400	1,156,800	1,079,107,900	135,023,400	944,084,500	0.227
2008	34,576,200	991,695,500	44,492,500	1,156,800	1,071,921,000	134,992,300	936,928,700	0.224
2007	40,850,500	976,830,300	43,455,900	1,156,800	1,062,293,500	137,831,400	924,462,100	0.233
2006	45,548,100	956,864,600	43,182,900	3,939,000	1,049,534,600	137,401,400	912,133,200	0.251
2005	34,328,800	804,603,300	39,181,100	3,499,000	881,612,200	131,306,000	750,306,200	0.285
2004	29,763,000	806,400,400	39,161,200	3,499,000	878,823,600	130,696,500	748,127,100	0.285
2003	12,426,200	298,768,800	17,471,700	1,767,600	330,434,300	54,287,100	276,147,200	0.618
2002	12,793,400	295,550,600	17,551,300	1,767,600	327,662,900	54,287,100	273,375,800	0.474
2001	14,186,900	291,497,300	18,077,200	1,767,600	325,529,000	54,782,700	270,746,300	0.349

BEACH HAVEN

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	N/A
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	0.258
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	0.265
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	0.259
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	0.234
2005	66,156,900	1,376,696,200	110,883,492	14,529,800	1,568,266,392	55,339,008	1,512,927,384	0.219
2004	52,643,900	1,383,195,700	115,408,400	14,529,800	1,565,777,800	55,003,000	1,510,774,800	0.219
2003	15,434,700	466,628,400	57,269,925	6,342,200	545,675,225	25,636,600	520,038,625	0.529
2002	16,833,500	461,269,800	57,479,325	6,342,200	541,924,825	25,569,500	516,355,325	0.530
2001	18,507,400	451,558,600	57,444,525	6,516,000	534,026,525	25,732,700	508,293,825	0.520

**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: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
2010	21,113,700	1,194,429,000	14,646,100		1,230,188,800	42,537,700		1,187,651,100	N/A
2009	31,720,100	1,326,448,600	14,316,900		1,372,485,600	45,456,800		1,327,028,800	0.170
2008	26,646,700	1,326,570,400	14,316,900		1,367,534,000	45,456,800		1,322,077,200	0.173
2007	31,069,300	1,316,938,800	14,316,900		1,362,325,000	46,156,800		1,316,168,200	0.178
2006	34,426,500	1,306,845,100	14,837,400		1,356,109,000	46,210,000		1,309,899,000	0.226
2005	12,677,300	1,022,884,100	12,696,100		1,048,257,500	41,734,800		1,006,522,700	0.256
2004	13,910,300	1,023,298,600	12,696,100		1,049,905,000	34,856,600	270,750	1,015,319,150	0.256
2003	9,276,100	364,193,100	6,982,500		380,451,700	18,497,600		361,954,100	0.643
2002	9,399,200	363,216,700	6,985,300		379,601,200	16,161,800		363,439,400	0.482
2001	10,203,200	359,712,000	6,985,300		376,900,500	16,125,000		360,775,500	0.452

LONG BEACH TOWNSHIP

2010	24,532,400	958,281,800	122,299,000	2,659,900	1,107,773,100	50,657,100		1,057,116,000	N/A
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	0.207
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	0.213
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	0.210
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	0.210
2005	293,364,400	6,609,712,200	159,866,100	8,144,900	7,071,087,600	93,693,300	2,582,830	6,977,394,300	0.578
2004	75,392,700	2,424,018,100	68,279,450	3,450,900	2,571,141,150	38,942,200		2,532,198,950	0.578
2003	71,271,800	2,402,884,800	70,136,250	3,687,400	2,547,980,250	38,866,900		2,509,113,350	0.492
2002	74,991,200	2,370,369,600	70,944,050	3,677,500	2,519,982,350	38,872,900		2,481,109,450	0.412
2001	78,344,100	2,318,700,600	72,701,750	3,815,700	2,473,562,150	36,180,200		2,437,381,950	0.416

**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: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
2010	24,532,400	958,281,800	122,299,000	2,659,900	1,107,773,100	50,657,100		1,057,116,000	N/A
2009	22,560,300	951,354,650	122,914,300	2,659,900	1,099,489,150	50,053,500		1,049,435,650	0.239
2008	23,365,200	943,318,000	120,331,700	2,659,900	1,089,674,800	49,822,100		1,039,852,700	0.233
2007	26,689,500	918,975,200	118,167,100	4,259,700	1,068,091,500	50,292,700		1,017,798,800	0.242
2006	31,814,800	890,448,600	118,118,700	5,902,900	1,046,285,000	50,349,900		995,935,100	0.238
2005	25,395,400	888,728,500	125,420,600	7,091,600	1,046,636,100	49,773,000		996,863,100	0.624
2004	7,843,800	349,515,945	62,219,880	3,058,200	422,637,825	23,717,000	617,500	399,538,325	0.624
2003	7,646,300	341,298,598	61,976,400	3,058,200	413,979,498	23,931,280		390,048,218	0.454
2002	8,195,300	333,772,400	61,279,000	3,058,200	406,304,900	24,200,780		382,104,120	0.476
2001	8,536,000	326,421,800	60,621,300	3,058,200	398,637,300	23,904,880		374,732,420	0.457

STAFFORD TOWNSHIP

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	N/A
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	0.194
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	0.197
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	0.171
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	0.171
2005	181,471,900	3,542,196,500	357,989,000	4,230,600	4,085,888,000	268,457,700		3,817,430,300	0.357
2004	64,110,200	1,791,707,300	226,970,300	3,530,000	2,086,317,800	(180,195,700)	23,906,310	2,290,419,810	0.357
2003	73,296,500	1,730,430,400	209,802,500	3,530,000	2,017,059,400	178,054,400		1,839,005,000	0.293
2002	80,522,400	1,663,986,200	206,269,000	3,530,000	1,954,307,600	168,364,000		1,785,943,600	0.278
2001	92,881,900	1,606,141,100	189,784,300	3,530,000	1,892,337,300	148,225,500		1,744,111,800	0.295

**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: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
2010	\$18,820,400	1,426,680,200	80,440,400	1,525,941,000	40,746,000		1,485,195,000	N/A
2009	14,539,300	1,424,538,400	80,649,900	1,519,727,600	48,520,100		1,471,207,500	0.229
2008	13,625,900	1,410,648,800	81,718,900	1,505,993,600	48,496,400		1,457,497,200	0.245
2007	20,634,500	1,388,038,500	81,718,900	1,490,391,900	46,036,000		1,444,355,900	0.255
2006	19,589,100	1,368,323,700	86,682,000	1,474,594,800	43,036,000		1,431,558,800	0.219
2005	18,846,400	1,358,922,900	82,980,800	1,460,750,100	45,085,500		1,415,664,600	0.600
2004	4,896,600	477,424,200	32,457,350	514,778,150	18,430,800	1,615,000	497,962,350	0.600
2003	4,484,900	467,051,600	32,788,350	504,324,850	18,512,300		485,812,550	0.478
2002	3,957,900	458,077,840	32,455,550	494,491,290	18,468,700		476,022,590	0.455
2001	3,992,500	447,998,940	32,065,250	484,056,690	18,468,700		465,587,990	0.440

**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			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF BARNEGAT LIGHT	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
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
2005	0.9590	0.2850	1.2440	0.3350	0.7420	0.0790	0.0220	2.4220
2004	0.1310	0.6180	0.7490	0.3350	0.7420	0.0790	0.0220	1.9270
2003	0.1310	0.4740	0.6050	0.3030	0.6980	0.0700	0.0190	1.6950
2002	0.1160	0.3490	0.4650	0.2200	0.6030	0.0600	0.0160	1.3640

Source: Municipal Tax Collector

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF BEACH HAVEN	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2010	0.0820	0.2580	0.3400	0.3380	0.3370		0.0160	1.0310
2009	0.0160	0.2650	0.2810	0.3310	0.3310		0.0160	0.9590
2008	0.0770	0.2590	0.3360	0.3230	0.3250		0.0160	1.0000
2007	0.0770	0.2340	0.3110	0.3080	0.3140		0.0120	0.9450
2006		0.2190	0.2190	0.2890	0.2900			0.7980
2005	0.0750	0.2190	0.2940	0.2890	0.2900		0.0100	0.8830
2004	0.1730	0.5290	0.7020	0.8000	0.7580		0.0230	2.2830
2003	0.1940	0.5300	0.7240	0.7730	0.7210		0.0170	2.2350
2002	0.1800	0.5200	0.7000	0.7560	0.6370		0.0140	2.1070

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			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL	REGIONAL	TOTAL	BOROUGH OF	OCEAN	COUNTY	COUNTY	
	SCHOOL	SCHOOL	DIRECT	HARVEY CEDARS	COUNTY	LIBRARY	OPEN SPACE	
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	-	-	0.8320
2005	0.0500	0.2560	0.3060	0.1870	0.2970	0.0320	0.0100	0.8320
2004	0.1410	0.6430	0.7840	0.4640	0.7870	0.0830	0.0230	2.1410
2003	0.1340	0.4820	0.6160	0.4590	0.7070	0.0720	0.0190	1.8730
2002	0.1160	0.4520	0.5680	0.4550	0.6010	0.0600	0.0160	1.7000

Source: Municipal Tax Collector

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL	REGIONAL	TOTAL	TOWNSHIP OF	OCEAN	COUNTY	COUNTY	
	SCHOOL	SCHOOL	DIRECT	LONG BEACH	COUNTY	LIBRARY	OPEN SPACE	
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		0.5780	0.5780	0.3870	0.8420			1.8070
2005	0.1240	0.5780	0.7020	0.3870	0.7370	0.0800	0.0250	1.9310
2004	0.1240	0.4920	0.6160	0.3870	0.6960	0.0740	0.0210	1.7940
2003	0.1230	0.4120	0.5350	0.3730	0.6520	0.0670	0.0180	1.6450
2002	0.1120	0.4160	0.5280	0.3730	0.5820	0.0580	0.0150	1.5560

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			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH	OCEAN COUNTY	COUNTY LIBRARY	COUNTY	
				OF SHIP BOTTOM			OPEN SPACE	
2010	0.0480	0.2390	0.2870	0.3050	0.3250	0.0390	0.0150	0.9710
2009	0.0480	0.2390	0.2870	0.3050	0.3250	0.0390	0.0150	0.9710
2008	0.0460	0.2420	0.2880	0.2790	0.3150	0.0380	0.0150	0.9350
2007	0.0460	0.2380	0.2840	0.2520	0.2960	0.0320	0.0110	0.8750
2006	0.1160	0.6240	0.7400	0.5990	0.7860			2.1250
2005	0.1160	0.6240	0.7400	0.5890	0.6880	0.0750	0.0230	2.1150
2004	0.1190	0.4540	0.5730	0.6050	0.6620	0.0700	0.0200	1.9300
2003	0.1200	0.4760	0.5960	0.6030	0.6360	0.0650	0.0170	1.9170
2002	0.1140	0.4570	0.5710	0.5890	0.5920	0.0590	0.0160	1.8270

Source: Municipal Tax Collector

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP	OCEAN COUNTY	COUNTY LIBRARY	COUNTY	OTHER	
				OF STAFFORD			OPEN SPACE		
2010	0.5750	0.1940	0.7690	0.6450	0.3690	0.0360	0.0140	0.0100	1.8430
2009	0.5800	0.1970	0.7770	0.6190	0.3670	0.0360	0.0140	0.0100	1.8230
2008	0.5800	0.1900	0.7700	0.5710	0.2940	0.0350	0.0140	0.0150	1.6990
2007	0.5800	0.1900	0.7700	0.5710	0.2940	0.0350	0.0140	0.0100	1.6940
2006	0.4830	0.1710	0.6540	0.4940	0.2760	0.0290	0.0110	0.0100	1.4740
2005	0.8430	0.3570	1.2000	0.8570	0.5910				2.6480
2004	0.8430	0.3570	1.2000	0.8470	0.4970	0.0540	0.0170	0.0100	2.6250
2003	0.7740	0.2930	1.0670	0.8080	0.4700	0.0500	0.0130	0.0100	2.4180
2002	0.7190	0.2780	0.9970	0.7740	0.4750	0.0490	0.0130	0.0100	2.3180

Source: Municipal Tax Collector

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

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FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF SURF CITY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2010	0.0450	0.2290	0.2740	0.2280	0.3030	0.0360	0.0140	0.8550
2009	0.0450	0.2450	0.2900	0.2310	0.3050	0.0360	0.0140	0.8760
2008	0.0430	0.2550	0.2980	0.2210	0.3010	0.0360	0.0150	0.8710
2007	0.0440	0.2190	0.2630	0.1920	0.2780	0.0300	0.0100	0.7730
2006	0.1270	0.6000	0.7270	0.5210	0.8580			2.1060
2005	0.1270	0.6000	0.7270	0.5210	0.7520	0.0810	0.0250	2.1060
2004	0.1290	0.4780	0.6070	0.5170	0.7200	0.0800	0.0220	1.9460
2003	0.1300	0.4550	0.5850	0.5090	0.6940	0.0710	0.0190	1.8780
2002	0.1660	0.4400	0.6060	0.4990	0.6040	0.0600	0.0160	1.7850

Source: Municipal Tax Collector

**SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS PRIOR
BARNEGAT LIGHT**

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Lighthouse Marina	5,000,000	1		7,251,900	1	
Taxpayer #1	4,925,000	2		5,318,000	2	
Taxpayer #2	3,712,900	3		3,862,900	3	
Taxpayer #3	3,014,800	4		3,465,500	4	
Taxpayer #4	2,985,000	5		2,930,000	9	
Taxpayer #5	2,796,700	6		2,999,700	7	
Taxpayer #6	2,783,700	7		3,197,500	5	
Barnegat Light Properties, LLC	2,782,960	8		3,006,800	6	
Taxpayer #7	2,737,400	9		2,930,200	8	
Taxpayer #8	2,660,200	10				
Taxpayer #9				2,843,400	10	
Total	<u>\$33,398,660</u>			<u>\$34,962,500</u>		

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS PRIOR
BEACH HAVEN**

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Morrison's Seafood	9,238,700	1		9,441,951	1	
Little Egg Harbor Yacht Club	8,589,900	2		8,778,878	2	
Engleside Motel	6,215,800	3		6,352,548	3	
Seashell Club & Hughes	6,195,100	4		6,331,392	4	
LBI LLC	6,008,300	5		6,140,483	5	
Taxpayer #1	5,821,200	6		5,892,750	6	
Breen Properties LLC	3,826,600	7		3,910,785	7	
Taxpayer #2	3,540,900	8		3,618,800	8	
Jamarmeg Realty LLC	3,446,400	9		3,522,221	9	
Carlson, Tehodore J Trust	3,305,400	10		3,378,118	10	
Total	<u>\$56,188,300</u>			<u>\$57,367,926</u>		

Source: Municipal Tax Assessor

**SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS PRIOR
HARVEY CEDARS**

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	5,451,200	1		5,901,200	1	
Taxpayer #2	3,568,700	2		4,122,200	2	
Taxpayer #3	2,786,400	3		2,976,400	9	
Taxpayer #4	2,540,100	4		3,056,400	6	
Taxpayer #5	2,469,700	5		2,920,700	10	
Taxpayer #6	2,419,100	6				
Taxpayer #7	2,405,900	7		3,120,900	5	
Taxpayer #8	2,402,600	8		3,183,200	4	
Taxpayer #9	2,392,600	9				
Taxpayer #10	2,377,600	10				
Taxpayer #11				3,328,100	3	
Taxpayer #12				3,044,400	7	
Taxpayer #13				3,017,600	8	
Total	\$28,813,900			\$34,671,100		

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS PRIOR
LONG BEACH TOWNSHIP**

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	13,100,300	1		13,100,300	1	
LBI Trailer Park	12,500,000	2		12,500,000	2	
Taxpayer #2	11,248,300	3		11,248,300	3	
Taxpayer #3	11,030,990	4		11,030,900	4	
Taxpayer #4	10,235,800	5		10,235,800	5	
Taxpayer #5	2,397,400	6		8,387,400	6	
Taxpayer #6	7,946,600	7		7,946,600	7	
Taxpayer #7	7,946,600	8		7,629,900	8	
Taxpayer #8	7,554,900	9		7,594,900	9	
Taxpayer #9	7,104,900	10		7,104,900	10	
Total	\$91,065,790			\$96,779,000		

Source: Municipal Tax Assessor

**SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS PRIOR
SHIP BOTTOM**

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Shamrock Enterprises	4,169,700	1		6,164,200	1	
Baldwin Residence, LLC	3,251,400	2		3,692,400	3	
Taxpayer #1	3,093,800	3		3,803,800	2	
CVS Corp	2,790,100	4		3,227,000	6	
Taxpayer #2	2,413,800	5				
Taxpayer #3	2,288,400	6				
Guida Holding Corp	2,216,500	7				
Ron Jon Realty Corp	2,108,100	8		3,561,900	4	
S&S Properties	2,065,500	9				
Exit05 c/o Oskar Huber	2,003,100	10				
Taxpayer #4				3,381,800	5	
Taxpayer #5				2,679,600	7	
Taxpayer #6				2,651,300	8	
Taxpayer #7				2,413,800	9	
Taxpayer #8				2,238,300	10	
Total	\$26,400,400			\$33,814,100		

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS PRIOR
STAFFORD TOWNSHIP**

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
AC I Manahawkin, LLC	37,592,200	1		37,592,200	1	
72 Associates LLC	25,314,400	2		25,314,400	2	
Southern Ocean County Hospital	22,273,500	3		23,444,000	3	
321 Martin Truex Jr. Blvd LLC	17,402,800	4		17,061,800	4	
J.TD Realty Investments	16,582,700	5		16,782,700	5	
81 Associates LLC	14,859,500	6		14,859,500	6	
Davis & Associates, LLC	12,679,100	7		12,679,100	7	
JAM Properties, LLC	12,197,400	8		12,197,400	8	
Wal-Mart Stores, Inc	11,600,000	9		11,600,000	9	
HD Dev of MD, Inc	11,182,500	10		11,182,500	10	
Total	\$181,684,100			\$182,713,600		

Source: Municipal Tax Assessor

SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS PRIOR
SURF CITY

TAXPAYER	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Surf City Yacht Club	8,155,700	1		8,155,700	1	
Tuckerton Lumber Co.	4,652,900	2		4,652,900	3	
Taxpayer #1	4,358,100	3		4,865,500	2	
Taxpayer #2	4,205,900	4		4,205,900	4	
Taxpayer #3	3,654,000	5				
I. & F. Associates	3,479,100	6		3,479,100	5	
Sea Dreams, LLP	3,249,100	7		3,249,100	7	
Taxpayer #4	3,248,800	8		3,248,800	8	
Crawford Partners, LLC	3,074,600	9		3,074,600	9	
Taxpayer #5	3,072,900	10		3,072,900	10	
Taxpayer #6				3,445,600	6	
Total	<u>\$41,151,100</u>			<u>\$41,450,100</u>		

Source: Municipal Tax Assessor

**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	
2009	\$8,068,395	7,929,413	98.28%	N/A
2008	7,994,939	7,939,196	99.30%	7,929,413
2007	7,523,088	7,460,699	99.17%	7,939,196
2006	7,407,056	7,344,096	99.15%	7,460,699
2005	7,219,173	7,156,166	99.13%	7,344,096
2004	7,198,642	7,137,747	99.15%	7,156,166
2003	6,452,691	6,367,162	98.67%	7,137,747
2002	5,601,003	5,426,113	96.88%	6,367,162
2001	4,629,382	4,551,579	98.32%	5,426,113
2000	3,820,999	3,745,883	98.03%	4,551,579

**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	
2009	\$16,945,235	16,690,516	98.50%	N/A
2008	16,729,717	16,436,206	98.25%	16,436,206
2007	16,225,611	16,040,926	98.86%	16,436,206
2006	15,638,526	15,513,418	99.20%	16,046,926
2005	14,826,684	14,678,417	99.00%	15,513,418
2004	13,866,619	13,734,393	99.05%	14,678,417
2003	12,521,967	12,396,747	99.00%	13,734,393
2002	12,191,699	12,043,857	98.79%	12,396,747
2001	11,372,166	11,185,595	98.36%	12,043,857
2000	10,367,293	10,140,531	97.81%	11,185,595

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	
2009	9,850,287	9,774,194	99.23%	N/A
2008	9,773,856	9,735,222	99.60%	9,774,194
2007	9,527,362	9,484,922	99.55%	9,735,222
2006	9,781,320	9,726,149	99.44%	9,484,922
2005	8,770,529	8,720,834	99.43%	9,726,149
2004	8,782,926	8,734,670	99.45%	8,734,670
2003	8,244,403	8,192,881	99.38%	8,734,670
2002	7,155,395	7,077,090	98.91%	8,192,881
2001	6,466,275	6,351,135	98.22%	7,077,090
2000	5,433,249	5,335,214	98.20%	6,351,135

**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	
2009	60,760,102	60,272,524	99.20%	N/A
2008	60,086,834	59,819,055	99.55%	
2007	60,225,117	59,869,587	99.41%	59,819,055
2006	58,062,825	57,962,245	99.83%	59,869,587
2005	55,230,854	54,968,909	99.53%	57,962,245
2004	50,077,626	49,787,264	99.42%	54,968,909
2003	46,048,933	44,777,367	97.24%	49,787,264
2002	41,798,808	41,498,862	99.28%	44,777,367
2001	38,009,964	38,557,449	101.44%	41,498,862
2000	34,630,592	34,343,825	99.17%	38,557,449

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	
2009	\$10,705,745	10,402,999	97.17%	N/A
2008	10,341,359	10,049,886	97.18%	10,402,999
2007	10,096,701	9,882,274	97.88%	10,049,886
2006	9,555,717	9,357,793	97.93%	9,882,274
2005	9,187,174	8,907,172	96.95%	9,357,793
2004	9,071,086	8,820,222	97.23%	8,907,172
2003	8,074,004	7,887,409	97.69%	8,820,222
2002	7,871,957	7,693,350	97.73%	7,887,409
2001	7,375,129	7,183,988	97.41%	7,693,350
2000	6,544,635	6,376,033	97.42%	7,183,988

**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	
2009	\$78,367,591	77,567,446	98.98%	N/A
2008	76,310,697	75,574,451	99.04%	77,567,446
2007	73,135,121	72,473,951	99.10%	75,574,451
2006	68,871,220	68,132,301	98.93%	72,473,953
2005	61,844,097	61,430,737	99.33%	67,396,472
2004	56,532,549	56,199,007	99.41%	61,430,737
2003	50,687,235	50,180,363	99.00%	56,199,007
2002	46,940,077	48,470,151	103.26%	50,180,363
2001	44,012,664	43,470,290	98.77%	48,470,151
2000	39,691,219	38,106,836	96.01%	43,470,290

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	
2009	\$13,038,937	12,846,008	98.52%	N/A
2008	13,271,872	13,098,924	98.70%	12,846,008
2007	13,078,123	12,882,453	98.50%	13,098,924
2006	12,037,801	11,865,758	98.57%	12,882,453
2005	11,303,112	11,160,687	98.74%	11,195,160
2004	11,008,056	10,813,812	98.24%	11,160,687
2003	9,942,145	9,769,035	98.26%	10,813,812
2002	9,427,633	9,270,553	98.33%	9,769,035
2001	8,518,280	8,341,276	97.92%	9,270,553
2000	7,288,467	7,092,877	97.32%	8,341,276

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 GENERAL		PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	OBLIGATION BONDS	TOTAL DISTRICT		
2010	\$11,420,000	11,420,000	N/A	N/A
2009	13,100,000	13,100,000	21.96%	465.00
2008	14,800,000	14,800,000	22.35%	432.09
2007	16,515,000	16,515,000	22.90%	486.24
2006	16,695,000	16,695,000	22.65%	499.15
2005	18,195,000	18,195,000	20.78%	550.20
2004	19,810,000	19,810,000	19.09%	610.87
2003	21,010,000	21,010,000	18.00%	660.71
2002	22,110,000	22,110,000	17.10%	707.36
2001	23,110,000	23,110,000	16.36%	757.28

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2010	\$11,420,000	11,420,000	0.0534%	N/A
2009	13,100,000	13,100,000	0.1985%	465.00
2008	14,800,000	14,800,000	0.2056%	432.09
2007	16,515,000	16,515,000	0.2360%	486.24
2006	18,195,000	18,195,000	0.2177%	499.15
2005	19,810,000	19,810,000	0.3385%	550.20
2004	21,010,000	21,010,000	0.3563%	610.87
2003	22,110,000	22,110,000	0.3562%	660.71
2002	23,110,000	23,110,000	0.3975%	707.36
2001	24,100,000	24,100,000	0.4249%	757.28

**SOUTHERN REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: Ocean County General Obligation Debt	463,412,774	25.985%	<u>120,417,809</u>
Subtotal, Overlapping Debt			120,417,809
Southern Regional School District Direct Debt	11,420,000	100.000%	<u>11,420,000</u>
Total Direct & Overlapping Debt			<u><u>\$131,837,809</u></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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$861,823,690	816,338,575	725,577,032	725,577,032	556,143,516	402,549,433	302,034,786	268,946,068	268,946,067	268,946,067
Total Net Debt Applicable to Limit	11,420,000	13,100,000	14,800,000	16,515,000	18,195,000	19,810,000	20,350,000	22,784,700	22,784,700	22,784,700
Legal Debt Margin	<u>\$850,403,690</u>	<u>803,238,575</u>	<u>710,777,032</u>	<u>709,062,032</u>	<u>537,948,516</u>	<u>382,739,433</u>	<u>281,684,786</u>	<u>246,161,368</u>	<u>246,161,367</u>	<u>246,161,367</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.33%	1.60%	2.04%	2.28%	3.27%	4.92%	6.74%	8.47%	8.47%	8.47%

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized Valuation Basis
	2009 \$21,405,354,304
	2008 21,701,432,517
	2007 <u>21,529,989,966</u>
	<u>\$64,636,776,787</u>
Average Equalized Valuation of Taxable Property	<u>\$21,545,592,262</u>
Debt Limit (4 % of Average Equalization Value)	861,823,690
Net Bonded School Debt	<u>13,100,000</u>
Legal Debt Margin	<u>\$848,723,690</u>

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

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**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				
2009	846	34,554,870	40,845	9.2%
2008	839	31,234,292	37,228	3.9%
2007	835	41,113,730	49,238	4.5%
2006	833	38,604,552	46,344	3.4%
2005	822	31,085,574	37,817	3.2%
2004	815	27,349,770	33,558	0.8%
2003	800	25,823,200	32,279	1.0%
2002	790	25,155,970	31,843	0.8%
2001	775	24,291,600	31,344	0.6%
2000	766	23,234,312	30,332	0.6%
BEACH HAVEN BOROUGH				
2009	1,403	57,301,326	40,845	9.2%
2008	1,392	51,821,376	37,228	8.8%
2007	1,379	67,899,202	49,238	4.5%
2006	1,366	62,205,904	46,344	7.7%
2005	1,352	51,128,584	37,817	6.9%
2004	1,325	44,464,350	33,558	5.5%
2003	1,319	42,576,001	32,279	6.3%
2002	1,307	41,618,801	31,843	6.8%
2001	1,281	40,151,664	31,344	4.4%
2000	1,278	38,764,296	30,332	4.3%
HARVEY CEDARS BOROUGH				
2009	397	16,215,465	40,845	9.2%
2008	394	14,667,832	37,228	0%
2007	392	19,301,296	49,238	4.5%
2006	389	18,027,816	46,344	0%
2005	386	14,597,362	37,817	0%
2004	380	12,752,040	33,558	7.5%
2003	376	12,136,904	32,279	7.2%
2002	369	11,750,067	31,843	5.3%
2001	363	11,377,872	31,344	4.8%
2000	360	10,919,520	30,332	5.9%
LONG BEACH TOWNSHIP				
2009	3,578	146,143,410	40,845	9.2%
2008	3,547	132,047,716	37,228	6.3%
2007	3,528	173,711,664	49,238	4.5%
2006	3,498	162,111,312	46,344	5.5%
2005	3,461	130,884,637	37,817	4.9%
2004	3,449	115,741,542	33,558	7.5%
2003	3,429	110,684,691	32,279	7.2%
2002	3,392	108,011,456	31,843	5.3%
2001	3,342	104,751,648	31,344	4.8%
2000	3,332	101,066,224	30,332	5.9%
SHIP BOTTOM BOROUGH				
2009	1,462	59,715,390	40,845	9.2%
2008	1,450	53,980,600	37,228	8.6%
2007	1,439	70,853,482	49,238	4.5%
2006	1,427	66,132,888	46,344	7.6%
2005	1,418	53,624,506	37,817	6.8%
2004	1,417	47,551,686	33,558	4.4%
2003	1,417	45,739,343	32,279	5.1%
2002	1,405	44,739,415	31,843	4.8%
2001	1,387	43,474,128	31,344	3.7%
2000	1,385	42,009,820	30,332	3.4%

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

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
STAFFORD TOWNSHIP				
2009	26,818	1,095,381,210	40,845	9.2%
2008	26,521	987,323,788	37,228	5.3%
2007	26,282	1,294,073,116	49,238	4.5%
2006	25,819	1,196,555,736	46,344	4.3%
2005	25,522	965,165,474	37,817	3.8%
2004	24,944	837,070,752	33,558	5.2%
2003	24,371	786,671,509	32,279	6.0%
2002	23,917	761,589,031	31,843	5.7%
2001	23,301	730,346,544	31,344	4.3%
2000	22,685	688,081,420	30,332	4.1%
SURF CITY BOROUGH				
2009	1,567	64,821,015	40,845	9.2%
2008	1,559	58,038,452	37,228	5.9%
2007	1,549	76,269,662	49,238	4.5%
2006	1,542	71,462,448	46,344	5.5%
2005	1,527	57,746,559	37,817	4.6%
2004	1,516	50,873,928	33,558	2.1%
2003	1,504	48,547,616	32,279	2.4%
2002	1,482	47,191,326	31,843	2.3%
2001	1,455	45,605,520	31,344	1.8%
2000	1,445	43,829,740	30,332	1.8%

*Ocean County

**SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2010		2001	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Southern Ocean County Hospital	1,217	4.31%	850	4.25%
Southern Regional School District	659	1.95%	450	2.25%
Stafford Township School District	471	1.38%	250	1.25%
Stafford Township	276	0.95%	230	1.15%
Shop Rite	163	0.59%		
Home Depot	158	0.43%		
Lowe's	130	0.39%		
Holiday Inn	95	0.31%		
Long Beach Township	94	0.29%	92	0.38%
Long Beach Township School District	65	0.24%	70	0.30%
Total	3,328	10.84%	1,942	9.58%

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Regular	185	186	189	187	210	222	234	256	260	266
Special Education	72	70	71	72	69	67	68	72	73	74
Support Services:										
Student & Instruction Related Services	52	52	52	53	56	57	56	56	58	60
School Administrative Services	30	31	31	31	32	34	33	33	35	36
General & Business Administrative Services	12	12	12	12	13	14	14	14	14	15
Plant Operations & Maintenance	42	42	40	40	40	40	45	45	43	46
Pupil Transportation	64	65	65	63	63	63	63	65	66	67
Business & Other Support Services	8	8	8	8	8	8	8	8	8	8
Total	465	466	468	466	491	505	521	549	557	572

Source: District Personnel Records

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

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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				
2010	3,019	\$54,043,355	17,901	5.13%	257	N/A	N/A	2,991	2,800	-0.66%	93.61%
2009	3,260	52,090,730	15,979	0.37%	256	N/A	N/A	3,011	2,832	-0.86%	94.06%
2008	3,066	52,205,629	17,027	18.83%	260	11:8	14:30	3,037	2,852	-6.50%	93.91%
2007	3,468	55,211,602	15,920	17.11%	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%
2005	3,739	50,831,064	13,595	7.43%	289	N/A	N/A	3,710	3,468	-3.81%	93.48%
2004	3,856	48,794,848	12,654	5.83%	302	N/A	N/A	3,857	3,621	3.73%	93.88%
2003	3,806	45,509,246	11,957	5.65%	328	N/A	N/A	3,718	3,513	3.26%	94.47%
2002	3,457	39,125,671	11,318	2.27%	333	N/A	N/A	3,601	3,375	8.80%	93.73%
2001	3,428	37,936,775	11,067	7.76%	340	N/A	N/A	3,310	3,019	4.12%	91.23%

Sources: District records

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

DISTRICT BUILDINGS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
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	1,023	1,023	1,023	1,017	1,012	1,004	998	1,003	988	980
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	1,029	1,029	1,029	1,038	1,129	1,134	1,229	1,368	1,299	1,301
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	1,014	1,014	1,014	1,413	1,528	1,601	1,629	1,435	1,170	1,147
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, 2010:										
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
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
2005	760,075	1,942,414	112,604	2,815,093
2004	675,226	1,725,577	100,033	2,500,836
2003	148,791	445,129	14,050	607,970
2002	145,787	437,362	13,822	596,971
2001	141,142	423,425	12,785	577,352
Total School Facilities	\$4,540,854	11,954,794	664,549	17,160,197

**INSURANCE SCHEDULE
JUNE 30, 2010**

	COVERAGE	DEDUCTIBLE
School Package Policy (Selective):		
Property - Blanket Buildings and Contents	\$56,907,243	\$1,000
Comprehensive General Liability	1,000,000	
Comprehensive Auto Liability	1,000,000	
Comprehensive Crime Coverage	25,000	100
Computer & Scheduled Equipment (Selective)		
Data Processing Equipment - Computers	1,200,000	1,000
Articles Floater	650,177	250
Equipment Floater	161,875	250
Valuable Papers	100,000	250
Umbrella Liability	10,000,000	
School Leaders Liability	2,000,000	10,000 25,000

Source: District records

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

EXHIBIT K-1

**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 the basic financial statements of the Southern Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 2, 2010. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education of the Southern Regional School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern Regional School District's financial statements are free of material misstatement, we performed tests of its compliance with certain

not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern Regional School District's financial statements are free of 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 Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the audit committee, management, the Southern Regional School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Michael Holt
Certified Public Accountant
Public School Accountant
No. 1148

Medford, New Jersey
November 2, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

Compliance

We have audited the compliance of the Southern Regional School District, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. The 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Southern Regional School District's management. Our responsibility is to express an opinion on Board of Education of the Southern Regional School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 Board of Education of the 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. Our audit does not provide a legal determination on the Board of Education of the Southern Regional School District's compliance with those requirements.

In our opinion, the Board of Education of the Southern Regional School District, County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal or state programs for the year ended June 30, 2010.

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Internal Control Over Compliance

The management of the Southern Regional School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Southern Regional School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management of the Southern Regional School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Michael Holt
Certified Public Accountant
Public School Accountant
No. 1148

Medford, New Jersey
November 2, 2010

SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2009	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DEFERRED REVENUE AT JUNE 30, 2010	DUE TO GRANTOR AT JUNE 30, 2010
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:										
Food Distribution Program	10.550	N/A	\$59,585	7/1/09-6/30/10		59,585	(59,585)			
National School Breakfast Program	10.553	N/A	5,729	7/1/08-6/30/09	(\$322)	322				
National School Breakfast Program	10.553	N/A	5,054	7/1/09-6/30/10		4,834	(5,054)	(220)		
National School Lunch Program	10.555	N/A	163,303	7/1/08-6/30/09	(8,978)	8,978				
National School Lunch Program	10.555	N/A	190,015	7/1/09-6/30/10		178,640	(190,015)	(11,375)		
Total U.S. Department of Agriculture					(9,300)	252,359	(254,654)	(11,595)		
U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:										
General Fund:										
Medical Assistance Program (SEMI)	93.778	N/A	1,127	9/1/09-8/31/10		1,127	(1,127)			
Total U.S. Department of Labor						1,127	(1,127)			
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:										
No Child Left Behind:										
Title I - Basic	84.010	NCLB495008	170,436	9/1/07-8/31/08	33,501					33,501
Title I - Basic	84.010	NCLB495009	163,525	9/1/08-8/31/09	(110,810)	122,698	(21,306)	(9,418)		
Title I - Basic	84.010	NCLB495010	159,919	9/1/09-8/31/10		76,851	(105,561)	(28,710)		
Title I, Recovery Act	84.389	NCLB495010	119,622	7/1/09-8/31/11		119,622	(119,622)			
Title II - Part A - Improving Teacher Quality	84.367	NCLB495008	82,931	9/1/07-8/31/08	186					186
Title II - Part A - Improving Teacher Quality	84.367	NCLB495009	76,363	9/1/08-8/31/09	(67,350)	76,363	(9,013)			
Title II - Part A - Improving Teacher Quality	84.367	NCLB495010	86,661	9/1/09-8/31/10		45,536	(73,035)	(27,499)		
Title II - Part D - Education Tech	84.318	NCLB495008	1,107	9/1/07-8/31/08	70					70
Title II - Part D - Education Tech	84.318	NCLB495010	1,674	9/1/09-8/31/10		1,190	(1,615)	(425)		
Title III - English Language Acquisition	84.365	NCLB495009	1,304	9/1/08-8/31/09	(511)	1,004	(493)			
Title IV - Safe & Drug Free Schools	84.186	NCLB495008	8,001	9/1/07-8/31/08	306					306
Title IV - Safe & Drug Free Schools	84.186	NCLB495009	6,378	9/1/08-8/31/09	(4,935)	5,084	(1,370)	(1,221)		
Title IV - Safe & Drug Free Schools	84.186	NCLB495010	6,190	9/1/09-8/31/10		3,129	(5,172)	(2,043)		
Title V - Innovative Programs	84.298	NCLB495007	4,637	9/1/06-8/31/07	39					39
Title V - Innovative Programs	84.298	NCLB495008	2,943	9/1/07-8/31/08	9					9
Title V - Innovative Programs	84.298	NCLB495009	5,959	9/1/08-8/31/09	(5,959)	5,959				
I.D.E.A. Part B - Basic	84.027	IDEA495007	469,218	9/1/06-8/31/07	1,295					1,295
I.D.E.A. Part B - Basic	84.027	IDEA495008	493,470	9/1/07-8/31/08	10,141					10,141
I.D.E.A. Part B - Basic	84.027	IDEA495009	505,568	9/1/08-8/31/09	(230,583)	284,868	(54,285)			
I.D.E.A. Part B - Basic	84.027	IDEA495010	507,607	9/1/09-8/31/10		217,000	(426,409)	(209,409)		
I.D.E.A. Part B, Recovery Act	84.391	IDEA495010	576,719	7/1/09-8/31/11		401,901	(499,160)	(97,259)		
Hurricane Education Recovery Act	84.938	N/A	2,723	9/1/05-8/31/06	1,778				1,778	
Total U.S. Department of Education					(372,823)	1,361,205	(1,317,041)	(375,984)	1,778	45,547
Total Federal Financial Assistance					(\$382,123)	1,614,691	(1,572,822)	(387,579)	1,778	45,547

SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DUE TO GRANTOR JUNE 30, 2010	MEMO			
				JUNE 30, 2009	CASH RECEIVED				BUDGETARY EXPENDITURES	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:												
General Fund:												
Transportation Aid	10-495-034-5120-014	774,875	7/1/09-6/30/10		774,875	(774,875)			112,110	774,875		
Categorical Special Education Aid	10-495-034-5120-089	912,256	7/1/09-6/30/10		912,256	(912,256)			127,093	912,256		
Categorical Security Aid	10-495-034-5120-084	136,204	7/1/09-6/30/10		136,204	(136,204)			19,706	136,204		
Extraordinary Aid	10-495-034-5120-473	726,528	7/1/09-6/30/10			(726,528)	(726,528)			726,528		
Extraordinary Aid	09-495-034-5120-473	82,591	7/1/08-6/30/09	(\$109,612)	109,612							
Adjustment Aid	10-495-034-5120-085	225,541	7/1/09-6/30/10		225,541	(225,541)			32,632	225,541		
Nonpublic Transportation Aid	N/A	8,816	7/1/09-6/30/10			(8,816)		(8,816)		8,816		
Nonpublic Transportation Aid	N/A	16,382	7/1/08-6/30/09	(13,017)	13,017							
Adult & Post-Secondary Education Grant	10-495-034-5120-077	23,865	7/1/09-6/30/10		23,865	(23,865)			3,979	23,865		
On-Behalf TPAF Pension Contribution	10-495-034-5095-050	1,357,141	7/1/09-6/30/10		1,357,141	(1,357,141)				1,357,141		
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	1,560,564	7/1/09-6/30/10		1,483,200	(1,560,564)		(77,364)		1,560,564		
Total General Fund				(122,629)	5,035,711	(5,725,790)		(812,708)	295,520	5,725,790		
Special Revenue Fund:												
Governors Initiative on Autism Grant	08-100-034-5065-090	350,000	7/1/07-6/30/08	1,369				1,369				
New Jersey Nonpublic Aid:												
Textbook Entitlement	10-100-034-5120-064	4,427	7/1/09-6/30/10		4,427	(4,427)				4,427		
Nursing Services	10-100-034-5120-070	5,250	7/1/09-6/30/10		5,250	(5,250)				5,250		
Technology Initiative Aid	09-100-034-5120-373	2,200	7/1/08-6/30/09	17			(17)					
Total Special Revenue Fund				1,386	9,677	(9,677)		(17)	1,369	9,677		
Capital Projects Fund:												
SCC Title 15 Grant	G5-3364	1,087,147	Unlimited		775,094	(775,094)				775,094		
Total Capital Projects Fund					775,094	(775,094)				775,094		
State Department of Agriculture:												
State School Breakfast Program	09-100-010-3350-021	791	7/1/08-6/30/09	(40)	40							
State School Lunch Program	09-100-010-3350-023	14,119	7/1/08-6/30/09	(601)	601							
State School Breakfast Program	10-100-010-3350-021	590	7/1/09-6/30/10		564	(590)		(26)		590		
State School Lunch Program	10-100-010-3350-023	11,088	7/1/09-6/30/10		10,438	(11,088)		(650)		11,088		
Total Enterprise Fund				(641)	11,643	(11,678)		(676)		11,678		
Total State Financial Assistance				(\$121,884)	5,832,125	(6,522,239)		(17)	(813,384)	1,369	295,520	6,522,239

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010**

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 basis 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, 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 \$(37,200) for the general fund and \$(14,780) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010**

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

	State	Federal	Total
General Fund	\$5,688,590	\$ 1,127	\$5,689,717
Special Revenue Fund	9,677	1,302,261	1,311,938
Capital Projects Fund	775,094		775,094
Food Service Fund	11,678	254,654	266,332
Total Financial Assistance	<u>\$6,485,039</u>	<u>\$1,558,042</u>	<u>\$8,043,081</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. 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, 2010. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

Note 6. Federal and State Loans Outstanding

The Southern Regional School District had no loan balances outstanding at June 30, 2010.

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

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?	No
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</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
84.010	N.C.L.B., Title I – Basic
84.367	N.C.L.B., Title I – ARRA
84.027	I.D.E.A. Part B – Basic
84.391	I.D.E.A. Part B – ARRA

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, 2010**

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? | No |

Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
--	--------------------

Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04?	No
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Identification of major programs:

GMIS Number(s)	Name of State Program
10-495-034-5120-089	Categorical Special Education Aid
10-495-034-5120-084	Categorical Security Aid
10-495-034-5120-077	Adult & Post-Secondary Education Aid
G5-3364	Title 15 Grant

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 and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

No Current Year Findings

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

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

No Current Year Findings

**SOUTHERN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2010**

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

No Prior Year Findings

