

**SCHOOL DISTRICT OF
SOUTHAMPTON TOWNSHIP**

SOUTHAMPTON BOARD OF EDUCATION
Southampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

SOUTHAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Southampton Township Board of Education
Finance Department**



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INTRODUCTORY SECTION



SOUTHAMPTON TOWNSHIP SCHOOLS

in Historic Vincentown Village

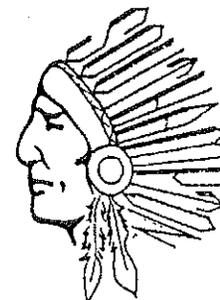
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"Building a Tradition of Excellence"



Michael L. Harris
Superintendent of Schools

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

The comprehensive annual financial report of the Southampton Township School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

At the end of the 2011-12 school year the District had an enrollment of 790 students. The following details the changes in student enrollment over the past twelve years:

AVERAGE DAILY ENROLLMENT

<i>Fiscal Year</i>	<i>Student Enrollment</i>	<i>Present Change</i>
1999-2000	874.4	- 2.45 %
2000-2001	899.8	+2.90 %
2001-2002	897.4	- 0.12%
2002-2003	885.5	- 1.33 %
2003-2004	862.7	- 2.57%
2004-2005	836.3	- 3.06%
2005-2006	811.2	- 3.00%
2006-2007	804.8	- 0.79%
2007-2008	802.7	- 0.26%
2008-2009	797.1	-0.70%
2009-2010	797.7	-0.08%
2010-2011	793.8	- 0.49%
2011-2012	783.9	- 1.24%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The economic condition of Southampton Township continues to be stable. However, for the first time in recent memory the township experienced a decrease in ratables. No significant change in business or industrial growth is projected. Property values in the area during the past couple of years have decreased and / or remained stable due to a weakening in real estate values nationwide.

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

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

During summer of 2008, the district utilized remaining funds from the 2003 facilities bond referendum project to upgrade several areas of the school district. The major enhancements to the facilities included the following:

- 1) Replacement of all School #1 windows

- 2) Construction of lavatories in Preschool Disabled classrooms located in School #1
- 3) Installation of air conditioning in the Preschool Disabled classrooms
- 4) Installation of a sink in the School #1 Art Room
- 5) Installation of security hardware on all classroom doors
- 6) Installation of retractable door on School #3 Warriordome Stage

In the summer of 2010, the school district completed several facility upgrades via grants from the School Development Authority. The projects included the following:

- 1) Reconfigure School #1 Main Entrance and Office Complex to enhance building security and maximize use of space
- 2) Reconfigure School #2 / #3 Main Entrance to enhance building security
- 3) Convert School #2 stage area into a storage facility to house new cafeteria tables

In addition, the school district used local funds to convert storage areas and a teachers' lunchroom area in School #2 that were no longer in use into office space for the Child Study Team. The Child Study Team is now located to School #2.

During the summer of 2012, local funds were used to pave the Administration Building parking lot, to replace the School #1 stairwell doors with fire rate doors that comply with existing fire / building code, and replace the tile floors in the seventh and eighth grade wing of School #3.

A major initiative approved by the Board of Education at their June 2010 Board of Education meeting is an administrative shared service agreement with the Tabernacle Public School District to share the services of a curriculum director and supervisor of special services.

The potential benefits of the shared services agreement are as follows:

- Resolves long-term issue of how to handle the administration of special education in Southampton
- Enables the Curriculum Director and Director of Special Services to concentrate exclusively on their specific disciplines
- Provides for articulation of curriculum in content areas and consistency in preparing students for entering Seneca High School
- Districts can combine available resources (human resources and fiscal) for curriculum development and professional development
- Potential cost savings relative to textbook procurement and curriculum development
- Development of in-district special education self-contained programming options which could result in significant cost savings for both districts
- Potential to coordinate the sharing of special education staff to fulfill staffing needs
- Coordination of special education staffing and programming between both districts
- Cost savings pertaining to salary and benefits for both positions as compared to current configuration

The school district's focus on educational programming and educational achievement for the 2011-2012 school year are articulated in the three (3) goals that were developed with input from the teaching staff, Administrative Team and Board of Education. The goals are as follows:

GOAL #1: The superintendent and administrative team will develop a comprehensive action plan to guide the district in the continuing development of the Response to Intervention (RtI) program. During the 2012-2013 school year, a RtI instructional period will be implemented in School #1 and School #2, two (2) new Tier 2 programs will be implemented, the RtI program will be expanded to include sixth grade, and the School #3 staff will participate in professional development for RtI

GOAL #2: The superintendent, administrative team, and the Teacher Evaluation Steering Committee will develop a comprehensive action plan to guide the district in successfully implementing the Danielson Framework and Teachscape Evaluation System to enhance the teacher evaluation process. By June 2013, 100% of the teaching staff will have been trained on the Danielson Framework and evaluated using the Teachscape Evaluation System

GOAL #3: The superintendent and administrative team will develop an action plan to facilitate the successful implementation of a pilot program for the "Journeys" guided reading program. By June 2013, a scope and sequence will be developed for the program, and 100% of the K-5 teaching staff will have participated in professional development pertaining to the program.

It is important to note that the Board of Education and Administrative Team have made a major commitment both financially and through professional development to support the Response to Intervention, guided reading and teacher evaluation system initiatives. All three of these initiatives are designed to enhance the quality of the instructional program and ultimately have a positive impact on student achievement.

Professional development activities during the 2012-2013 include year long consultation with an outside consultant pertaining to differentiated instruction. This professional development will consist not only of a workshop for staff, but also classroom imbedded instruction including demonstration lessons. Differentiated instruction is a cornerstone of an effective Response To Intervention program and successful guided reading program.

In addition, the teaching staff will continue to receive professional development pertaining to the administration of AIMS Web, AIMS web progress monitoring, and how to use the data from these assessments to plan and drive instruction.

The district underwent New Jersey Department of Education monitoring through the Quality Single Accountability Continuum (QSAC) in 2009-2010. The monitoring process was a comprehensive review of the school district's operations and was broken down into five (5) components that include program and instruction, fiscal management, governance, operations management, and personnel.

A score of 80% or greater is required in each of the aforementioned areas for a school district to be in full compliance with the monitoring elements. The school district was found to be in compliance with scores of 95% in fiscal management, 100% in governance, 86% in personnel, and 97% in operations management.

Due to sub-par performance of our students with special needs the district achieved a score of 75% in program and instruction. As a result, the district developed a District Improvement Plan (DIP) for the area of Program and Instruction.

The Burlington County Office of Education conducted a six month review of the DIP in November of 2010. In a letter dated December 1, 2010, the New Jersey Department of Education indicated that the school district had achieved a score of 81% for the area of program and instruction, and was therefore, certified as a "high performing" school district for QSAC.

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

Enhancements to the school district's curricula during the 2011-2012 school year included the review and revision of the following content areas to ensure that the Core Curriculum Content Standards are effectively addressed:

- Grades K-8 Literacy (Common Core Standards Alignment)
- Grades 3 – 5 Mathematics (Common Core Standards Alignment)
- Southampton Township Enrichment Program (S.T.E.P.) Eligibility Criteria
- Related Arts Benchmark Assessments

(Note: These curricula revisions were approved and adopted at the September 24, 2012 Southampton Board of Education meeting.)

Southampton Township School District has continued to improve its educational technology over the last three years. All classrooms, computer labs, and offices have high speed Internet connectivity. The district has three (3) computer labs.

During the summer of 2011, the school district procured and installed approximately 230 computers for classroom instruction that are replaced obsolete machines. Twenty-five (25) of the older computers that had better memory were redeployed. In addition, the school district procured three (3) mobile netbook computer labs with printers. Each school has an operational mobile lab.

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

During the summer of 2012, the school district procured ten (10) short throw projectors for use with the Smart Boards. The goal is to eventually replace all of the viewers that are on

carts. In addition, all of the districts computers were reimaged and the district has transition to Business Class Internet service via Comcast.

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

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

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

A major initiative completed during the summer of 2012 was the redesign and deployment of the school district's website. The redesigned website includes a wealth of information for the school community including calendar information for all school events, a posting of policies / regulations, links to educational resources for parents, staff contact information, and current school news.

Each year the Board of Education develops three (3) or four (4) goals that become the focus of the Board of Education's effort during that school year. These goals are developed collaboratively by the Board of Education members with input from the superintendent. The goals for 2012-2013 are as follows:

GOAL #1:

The Board of Education will use effective fiscal planning including reserving funds in capital reserve and the regular budgetary process to address long-range facility needs pertaining to renovations and upgrades.

GOAL #2:

The Board of Education in cooperation with the superintendent will conduct two (2) public forums during the 2012-2013 school year to garner input from the community to develop a plan to enhance community involvement.

GOAL #3:

The Board of Education will enhance its governance and operations through participation in NJSBA workshops, attendance at the NJSBA Convention, in-district professional workshops and regular attendance at monthly committee meetings.

The school district completed a comprehensive update of the school district's Governance and Job Description Manuals in 2010-2011. The revised Governance Manual is an electronic format that is available on-line. The Board of Education has an annual maintenance contract with Strauss & Esmay, Inc. that provides policy and regulation updates, plus the on-line subscription.

The Board of Education developed and adopted a Strategic Plan for the 2009-2014 school years. The district contracted with the New Jersey School Boards Association to facilitate the process of developing this plan that will guide the district in the decision making process over the next five years.

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial sections.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement", Note 1.

- 7) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2012.

Revenue	Amount	Percentage of Total
Local Sources	\$ 10,458,465	74.8 %
State Sources	3,125,417	22.4 %
Federal Sources	389,149	2.8 %
Total	\$ 13,973,031	100.0 %

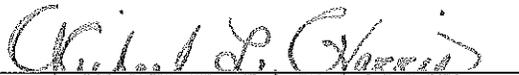
The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2012.

Expenditures	Amount	Percentage of Total
Current:		
Instruction	\$ 5,691,760	41.4 %
Undistributed Expenditures	6,953,231	50.7 %
Capital Outlay	185,403	1.3%
Debt Service	913,575	6.6%
Total	\$ 13,743,969	100%

- 8) **DEBT ADMINISTRATION:** At June 30, 2012 the District's outstanding debt issues include \$765,000 of general obligation bonds issued in 1994. The total proceeds of \$5,935,000 for this issue were placed in the Districts Capital Projects Funds for use to provide for construction of School #3, site improvements, access roads and other improvements, acquisition of furniture, equipment and fixtures for such facilities. Additionally, the District issued \$5,305,000 of general obligation bonds in June 2003. Principal balance as of June 30, 2012 is \$3,000,000. The proceeds for this issue were placed in the District's Capital Projects Funds for use to provide major renovations to School #1 and School #2, minor renovations to School #3, and construction of a new parking lot. The State of New Jersey has committed to matching 39% of actual costs up to \$3,370,000 for these projects. To date, more than \$7,000,000 from combined state and local sources have been expended.
- 9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

- 10) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident, and fidelity bonds.
- 11) **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountant. The accounting firm of Holman & Frenia, P.C. was selected by the Board. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports relating specifically to the single audit are included in the single audit section of this report.
- 12) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Southampton Township Board of Education for their efforts in providing fiscal accountability to the citizens and taxpayers of Southampton Township. We gratefully acknowledge and express our sincere thank you to the Board for their commitment to and full support of the ongoing development and maintenance of our financial and educational operation.

Respectfully submitted,



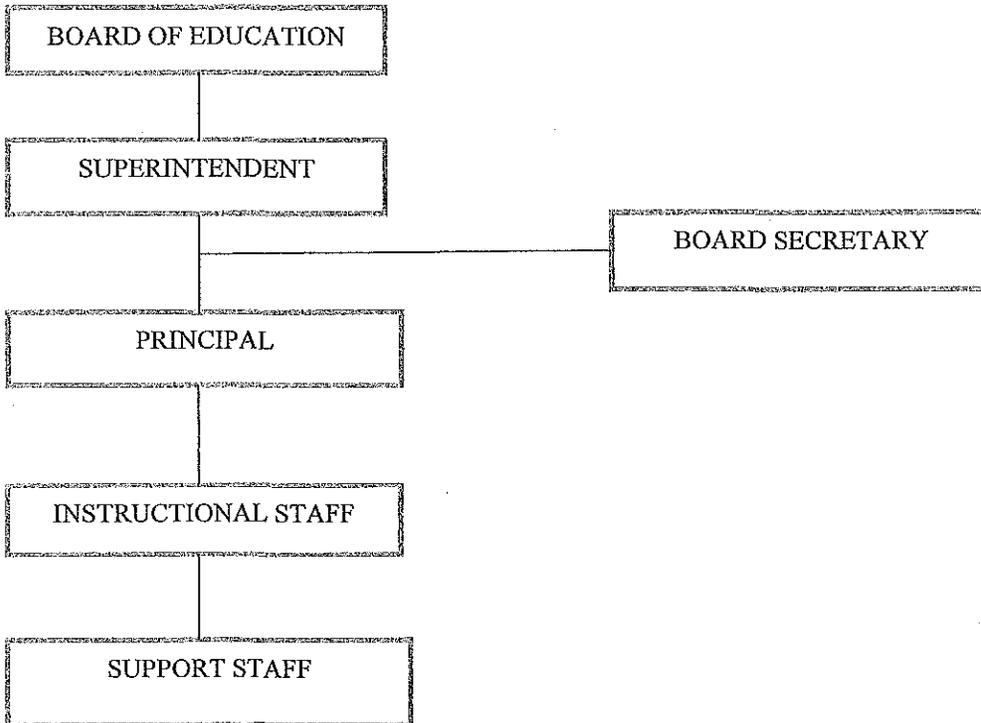
Michael L. Harris
Superintendent



Barbara A. Godfrey
Business Administrator/Board Secretary

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

ORGANIZATIONAL CHART



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

ROSTER OF OFFICIALS

JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
--	---------------------

Betty Wright, President	2012
Ronald Heston, Vice President	2014
Joseph Caputo	2013
Stacey Donnelly	2013
Russell Hann	2012
Kristen Kaminski	2012
Roger Rockhill	2012
Charles Roseboro	2014
Tracey Walker	2014

OTHER OFFICIALS

Michael L. Harris, Superintendent of Schools

Barbara A. Godfrey, School Business Administrator/Board Secretary

Dawn Emmons, Treasurer

David Serlin, Esq., Solicitor

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

177 Main Street
Vincentown, New Jersey 08088

CONSULTANTS AND ADVISORS

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ATTORNEY

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OFFICIAL DEPOSITORIES

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Beneficial Bank
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Southampton, New Jersey 08088

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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 Southampton Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's 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 Southampton Township Board of Education, County of Burlington, State of New Jersey, as of June 30, 2012, 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 September 14, 2012, on our consideration of the Southampton Township Board of Education'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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 15 through 23 and 58 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southampton Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of state financial assistance and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of 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 is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and 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 information 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.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
September 14, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

UNAUDITED

The discussion and analysis of the Southampton Township Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34-*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in MD&A.

Financial Highlights

Key Financial highlights for 2011/2012 are as follows:

- Federal Education Jobs Funds in the amount of \$83,713 were used to support instructional assistant salaries and benefits.
- Considerable resources for professional development, supplies and materials were dedicated for Special Education and Response to Intervention for students.
- In January 2012, the Southampton Township Board of Education approved changing the annual election date for its members from the third Tuesday in April to the first Tuesday after the first Monday in November (the General Election), beginning in 2012, in accordance with P.L. 2011, Chapter 202. This effectively eliminates the annual voter referendum on the proposed general fund tax levy (i.e., the base budget which is at or below the statutory tax levy cap). The Board of Education did so because it believes that the financial interest of its constituents is safeguarded by the state's tax levy cap and the thorough review of the proposed school budget by the Executive County Superintendent and the Executive County School Business Administrator.

This change will remain in effect at least through November 2015. Members of the Southampton Board of Education whose terms would have expired by April 23, 2012 will continue to serve in office until the January 7, 2013 organization meeting.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Statement of Net Assets and the Statement of Activities

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

While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answers this question. The Statement of Net Assets includes all assets and liabilities, while the Statement of Activities shows the cost of program services and the charges for those services and the grants offsetting those services. They use the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting takes into account all of the current year's revenues and expenses regardless of when the timing of the related cash is received or paid.

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District maintains four individual governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measure cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements. The School District adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 to 57 of this report.

Other Information

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

The School District as a Whole

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for fiscal year 2012. A detailed analysis can be found in Exhibit A-1.

Table 1 - Net Assets

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$ 593,750	79,817	673,567	276,868
Receivables, Net	675,613	12,159	687,772	626,670
Inventory		8,170	8,710	6,231
Restricted Assets:				
Capital Reserve Account - Cash	226,201		226,201	305,682
Emergency Reserve Account-Cash	206,045		206,045	203,482
Tuition Reserve Account - Cash	125,625		125,625	50,000
Maintenance Reserve Account	127,512		127,512	125,938
Capital Assets, Net (Note 5)	17,209,500	29,078	17,238,578	17,649,408
Total Assets	19,164,245	129,764	19,294,009	19,244,279
LIABILITIES				
Accounts Payable	292,605		292,605	54,457
Accrued Interest Payable	18,742		18,742	25,052
Deferred Revenue	487	1,773	2,260	-0-
Noncurrent Liabilities (Note 6):				
Due Within One Year	760,000		760,000	740,000
Due Beyond One Year	3,467,506		3,467,506	4,232,737
Total Liabilities	4,539,340	1,773	4,541,113	5,052,246
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	13,708,862	14,062	13,737,940	13,408,770
Restricted For:				
Other Purposes	685,382		685,382	542,248
Debt Service	(18,742)		(18,742)	(25,052)
Capital Projects	264,362		264,362	97,364
Unrestricted	(14,959)	98,913	83,954	168,703
Total Net Assets	\$14,624,905	127,991	14,752,896	14,192,033

As noted earlier, the District's net assets may serve over time as a useful indicator of a government's financial position. The largest portion of the District's net assets (94 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide the educational programs, consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this

debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (6.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

Table 2 shows changes in net assets for fiscal year 2012. A detailed analysis can be found in Exhibit A-2.

Table 2 - Changes in Net Assets

	Governmental Activities	Business- Type Activities	Total June 30, 2012	Total June 30, 2011
Revenues:				
Program Revenues:				
Charges for Food Services		181,133	181,133	191,308
Charges for Summer Recreation			-0-	10,150
Operating Grants & Contributions	376,193	108,349	108,349	91,621
General Revenues:				
Property Taxes:				
Debt Service	854,731		854,731	864,122
General Purposes	9,537,076		9,537,076	9,557,076
Federal & State Aid Not Restricted	3,138,373		3,138,373	2,757,995
Other Revenues	66,658		66,658	85,308
Total Revenues	<u>13,973,031</u>	<u>289,482</u>	<u>13,596,838</u>	<u>13,557,580</u>
Expenses:				
Instruction Services	5,691,760		5,691,760	5,159,863
Tuition- Special Education	359,975		359,975	379,775
Student Related Services	1,251,274		1,251,274	1,173,261
Administrative Services	1,045,617		1,045,617	1,017,236
Plant Operations & Maintenance	857,184		857,184	917,225
Student Transportation	495,948		495,948	486,321
Business Support Services	18,015		18,015	
Employee Benefits	2,925,218		2,925,218	2,765,347
Interest on Long-Term Debt	178,514		178,514	157,210
Decrease / (Increase) in Compensated Absences	(5,231)		(5,231)	22,777
Unallocated Depreciation	600,000		600,000	619,543
Food Service Operations		283,376	283,376	281,916
Community Summer Recreation				11,022
Total Expenses	<u>13,418,274</u>	<u>283,376</u>	<u>13,325,457</u>	<u>12,991,496</u>
Change in Net Assets	554,757	6,106	560,863	566,084
Net Assets, Beginning July 1,	<u>14,070,148</u>	<u>121,885</u>	<u>14,192,033</u>	<u>13,625,949</u>
Net Assets, Ending June 30	<u>\$14,624,905</u>	<u>127,991</u>	<u>14,752,896</u>	<u>14,192,033</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 77 percent of revenues for fiscal year 2012. Federal and state aid, accounted for another 23 percent. The District's total governmental activities revenues were \$13,973,031 and expenses were \$13,743,969 for the year ended June 30, 2012. A detailed analysis of these revenues and expenditures are found in Exhibit B-2.

Business-Type Activities

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

- Business-type revenues did exceed expenses by \$6,106.
- Charges for services are amounts paid by patrons for daily food service operations.

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

The School District's Funds

Governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$13,973,031 and expenditures were \$13,743,969. The net positive change in overall fund balance for the year was \$229,062.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011 and the amount and percentage of increases and decreases in relation to prior year revenues. Further details are found in Exhibit B-2.

Table 3 - Revenues of the Governmental Funds

	Amount 2011-2012	Percent of Total	Amount 2010-2011	Increase/ (Decrease) from 2011	Percent of Increase/ (Decrease)
Revenues:					
Local Sources	\$ 10,458,465	75.0%	\$ 10,505,621	(\$ 47,156)	(4.4%)
State Sources	3,125,417	22.0%	2,842,984	282,433	9.9%
Federal Sources	389,149	3.0%	315,432	73,717	23%
Total	\$13,973,031	100.00%	\$ 13,664,037	308,994	
	(1)	(2)		(3)	

(1) From B-2

(2) Function of each item over total

(3) Function of each item over the previous year.

The decrease in local revenue was largely due to a \$29,391 local property tax decrease and a \$13,356 decrease in interest income and miscellaneous revenues. The increase in State Sources was a direct result of the State of New Jersey increasing aid to support the general fund operating budget in the amount of \$117,521 and On-behalf State Contributions of \$150,322, as noted in Exhibit C-1. Federal revenues increased with the Education Jobs Funding.

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2012, and the percentage of increases and decreases in relation to prior year amounts. Further details are found in Exhibit B-2.

Table 4 - Expenditures of the Governmental Funds

	Amount 2011-202	Percent of Total	Amount 2010-2011	Increase/(Dec rease) from 2011	Percent of Increase/(Decrease)
Expenditures					
<i>Current Expense</i>					
Instruction	\$ 5,691,760	41.4%	\$ 5,484,330	\$207,430	3.7%
Undistributed	5,966,147	43.4%	5,916,729	49,418	0.8%
<i>Capital Outlay</i>					
<i>On-behalf State</i>	185,403	1.3%	300,253	(114,850)	(38.3%)
	987,084	7.2%	836,762	150,322	18%
<i>Debt Service</i>					
Principal	740,000	5.4%	720,000	20,000	2.8%
Interest	173,575	1.3%	205,750	(32,175)	(15.6%)
Total	\$13,743,969	100.00%	\$13,463,824	\$280,145	

Changes in expenditures were the results of varying factors. Current expenses increased due to increased instructional staff and professional development in the areas of special education instruction, and On-behalf State Contributions.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

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

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

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

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

FUND BALANCES

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

Table 5 - Changes in Fund Balances

Governmental Funds	Amount 2011-2012	Amount 2010-2011	Increase/ (Decrease) from 2011
General Fund (Exhibit C-1)			
Restricted Reserves:			
• Capital Reserve	\$ 226,200	\$ 97,364	\$ 128,836
• Emergency Reserve	206,045	203,482	2,563
• Maintenance Reserve	127,512	125,938	1,574
• Tuition Reserve	125,625	50,000	75,625
• Excess Surplus Current	271,257	207,882	63,375
• Excess Surplus Prior Year	207,882	239,957	(32,075)
Encumbrances	137,948	85,128	52,820
Designated for Subsequent Year	9,784	45,756	(35,972)
Unassigned Fund Balance	254,757	259,784	(5,057)
Total General Fund Balance	<u>\$ 1,567,010</u>	<u>\$ 1,315,291</u>	<u>\$ 251,719</u>
Special Revenue Fund (Exhibit E-1)	-0-	-0-	-0-
Capital Projects Fund (Exhibit F-1)	264,362	264,362	-0-
Debt Service Fund (Exhibit I-3)	-0-	-0-	-0-
Proprietary Fund (Exhibit G-1)	127,991	121,885	6,106
Fiduciary Fund (Exhibit H-1)	115,872	125,074	(9,202)

Fund balances with material changes are Tuition Reserve with a deposit of \$75,000 and year end, and Capital Reserve with a deposit of \$125,000 at year end.

CAPITAL ASSETS

At the end of the fiscal year 2012, the School District had \$17,238,578 invested in land, buildings, furniture, equipment, and vehicles, as shown in Table 6.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land & Improvements	\$ 564,918	\$ 537,670	-	-	\$564,918	\$537,670
Building	22,295,998	22,199,774	-	-	22,295,998	22,199,774
Machinery & Equipment	1,206,106	1,155,424	\$74,827	56,514	1,280,933	1,211,938
Vehicles	19,934	19,934	-	-	19,934	19,934
Subtotal	24,086,956	23,912,802	74,827	56,514	24,161,783	23,969,316
Accumulated Depreciation	(6,877,456)	(6,277,456)	(45,749)	(42,452)	(6,923,205)	(6,319,908)
Total	<u>\$17,209,500</u>	<u>\$17,635,346</u>	<u>\$ 29,078</u>	<u>\$ 14,062</u>	<u>\$17,238,578</u>	<u>\$17,649,408</u>

Land is not depreciated.

Overall capital assets decreased by a net of \$410,830 from fiscal year 2012 to fiscal year 2011. For more detailed information, refer to the Note 5 of the Notes to the Financial Statements.

DEBT ADMINISTRATION

In the governmental funds, at June 30, 2012, the School District had \$4,227,506 of outstanding debt. Of this amount \$462,506 is for compensated absences; \$765,000 from serial bonds outstanding from the 1994 bond issue; and \$3,000,000 from serial bonds outstanding from the 2003 bond issue. There was no debt outstanding in the business-type activities funds the District's credit rating as determined by Moody's continues to be AA for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue. The District's limit is 3 percent of its equalized valuation basis. The current debt limitation for the District is \$38,024,517. The District's outstanding general obligation debt is \$3,765,000. The remaining school borrowing margin available is \$34,259,517.

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

FOR THE FUTURE

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

A major concern is the lack of state and federal revenues, which have resulted in increased property taxes. The delay of payment into the next fiscal year of the June payment, now representing ten percent (10%) of total State aid is of great concern to the Board of Education. The State of New Jersey has continued to diminish its' share of funding for the Southampton Township School District. In fiscal year 1992, direct state aid was \$2,350,000, representing 36% of the \$6.7 million general operating budget. In fiscal year 2011 direct state aid was \$2,097,389, representing a mere 18% of the \$11.9 million general operating budget. Consequently the lack of proportionate state support has shifted the burden to the taxpayers of the community with tax levy now representing 80% of the general operating budget versus 56% in fiscal year 1992.

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

CONTACTING THE SCHOOL DISTRICT'S FINACIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	JUNE 30, 2011 <small>(MEMORANDUM ONLY)</small>
Cash & Cash Equivalents	\$593,750	79,817	673,567	276,868
Receivables, Net	675,613	12,159	687,772	626,670
Inventory		8,710	8,710	6,231
Restricted Cash & Cash Equivalents	685,382		685,382	685,102
Capital Assets, Net (Note 5)	17,209,500	29,078	17,238,578	17,649,408
Total Assets	19,164,245	129,764	19,294,009	19,244,279
LIABILITIES				
Accounts Payable	292,605		292,605	54,457
Deferred Revenues	487	1,773	2,260	
Accrued Interest Payable	18,742		18,742	25,052
Noncurrent Liabilities (Note 6):				
Due Within One Year	760,000		760,000	740,000
Due Beyond One Year	3,467,506		3,467,506	4,232,737
Total Liabilities	4,539,340	1,773	4,541,113	5,052,246
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	13,708,862	29,078	13,737,940	13,408,770
Restricted For:				
Other Purposes	685,382		685,382	542,248
Debt Service	(18,742)		(18,742)	(25,052)
Capital Projects	264,362		264,362	97,364
Unrestricted	(14,959)	98,913	83,954	168,703
Total Net Assets	\$14,624,905	127,991	14,752,896	14,192,033

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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011	
Governmental Activities:							
Instruction:							
Regular	\$3,931,818		287,708	(3,644,110)		(3,644,110)	(3,589,428)
Special Education	1,258,510			(1,258,510)		(1,258,510)	(1,153,052)
Other Special Instruction	492,174			(492,174)		(492,174)	(417,383)
Other Instruction	9,258			(9,258)		(9,258)	
Support Services & Undistributed Costs:							
Instruction	359,975			(359,975)		(359,975)	(379,775)
Related Services	270,435			(270,435)		(270,435)	(239,514)
Health Services	112,028			(112,028)		(112,028)	(113,586)
Student & Instruction Related Services	770,505			(770,505)		(770,505)	(728,361)
Educational Media Services/School							
Library	98,306			(98,306)		(98,306)	(91,800)
School Administrative Services	466,596			(466,596)		(466,596)	(467,553)
Central Services	237,517			(237,517)		(237,517)	(226,022)
Other Administrative Services	341,504			(341,504)		(341,504)	(323,661)
Plant Operations & Maintenance	857,184			(857,184)		(857,184)	(917,225)
Pupil Transportation	495,948			(495,948)		(495,948)	(486,321)
Business & Other Support Services	18,015		18,015				
Unallocated Benefits	2,925,218		11,626	(2,913,592)		(2,913,592)	(2,765,347)
Interest on Long-Term Debt	178,514		58,844	(119,670)		(119,670)	(157,210)
Decrease in Compensated Absences -							
Unallocated	(5,231)			5,231		5,231	(22,777)
Unallocated Depreciation	600,000			(600,000)		(600,000)	(619,543)
Total Governmental Activities	13,418,274		376,193	(13,042,081)		(13,042,081)	(12,698,558)

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	JUNE 30, 2011
(MEMORANDUM ONLY)							
Business-Type Activities:							
Food Service	283,376	181,133	108,349		6,106	6,106	1,013
Summer Recreation							(872)
Total Business-Type Activities	283,376	181,133	108,349		6,106	6,106	141
Total Primary Government	\$13,701,650	181,133	484,542	(13,042,081)	6,106	(13,035,975)	(12,698,417)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				9,537,076		9,537,076	9,557,076
Taxes Levied for Debt Service				854,731		854,731	864,122
Federal & State Aid Not Restricted				3,138,373		3,138,373	2,757,995
Investment Earnings				24		24	909
Miscellaneous Income				66,634		66,634	84,399
Total General Revenues, Special Items, Extraordinary Items & Transfers				13,596,838		13,596,838	13,264,501
Change In Net Assets				554,757	6,106	560,863	566,084
Net Assets - Beginning, as Previously Stated				14,070,148	121,885	14,192,033	13,568,867
Prior Period Adjustment							57,082
Net Assets - Beginning, Restated				14,070,148	121,885	14,192,033	13,625,949
Net Assets - Ending				\$14,624,905	127,991	14,752,896	14,192,033

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

B. Fund Financial Statements

Governmental Funds



**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
JUNE 30, 2012**

(With Comparative Totals for June 30, 2011)

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS	
					JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$508,463		119,463	1	627,927	197,297
Accounts Receivable:						
State	6,989		561,883		568,872	593,195
Federal	10,183	47,561			57,744	19,133
Interfund	416,985	165			417,150	299,604
Other	59,305				59,305	8,797
Restricted Cash & Cash Equivalents	685,382				685,382	685,102
Total Assets	\$1,687,307	47,726	681,346	1	2,416,380	1,803,128
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit		34,177			34,177	14,082
Accounts Payable	\$279,543	13,062			292,605	54,457
Interfund Payables	10,473		416,984	1	427,458	301,998
Deferred Revenues		487			487	
Total Liabilities	290,016	47,726	416,984	1	754,727	370,537
Fund Balances:						
Restricted for:						
Capital Reserve Account	226,200				226,200	97,364
Emergency Reserve	206,045				206,045	203,482
Maintenance Reserve	127,512				127,512	125,938
Tuition Reserve	125,625				125,625	50,000
Excess Surplus	271,257				271,257	207,882
Excess Surplus Designated for Subsequent Year's Expenditures	207,882				207,882	239,957
Capital Projects Fund			264,362		264,362	264,362
Committed to:						
Other Purposes	137,948				137,948	85,128
Assigned to:						
Designated for Subsequent Year's Expenditures	9,784				9,784	45,756
Unassigned Fund Balance	85,038				85,038	112,722
Total Fund Balances	1,397,291		264,362		1,661,653	1,432,591
Total Liabilities & Fund Balances	\$1,687,307	47,726	681,346	1		

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 & therefore are not reported in the funds. The cost of the assets is \$24,086,956 and the accumulated depreciation is \$6,877,456.

17,209,500 17,635,346

Accrued interest payable is not recorded in the fund financial due to the fact that payable is not due in the current period.

(18,742) (25,052)

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 6)

(4,227,506) (4,972,737)

Net assets of Governmental Activities

\$14,624,905 14,070,148

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Revenues:						
Local Sources:						
Local Tax Levy	\$9,537,076			854,731	10,391,807	10,421,198
Tuition	2,000				2,000	1,000
Interest Earned on Reserve Funds	7,973				7,973	1,934
Interest on Investments			24		24	24
Miscellaneous	44,748	11,913			56,661	81,465
Total Revenues - Local Sources	9,591,797	11,913	24	854,731	10,458,465	10,505,621
State Sources	3,066,573			58,844	3,125,417	2,842,984
Federal Sources	83,713	305,436			389,149	315,432
Total Revenues	12,742,083	317,349	24	913,575	13,973,031	13,664,037
Expenditures:						
Current Expense:						
Instruction - Regular Programs	3,644,110	287,708			3,931,818	3,913,895
Special Education	1,258,510				1,258,510	1,153,052
Other Special Instruction	492,174				492,174	417,383
Other Instruction	9,258				9,258	
Undistributed Expense:						
Instruction	359,975				359,975	379,775
Related Services	270,435				270,435	239,514
Health Services	112,028				112,028	113,586
Attendance & Social Work	7,350				7,350	7,350
Other Support Services	595,337				595,337	570,385
Improvement of Instructional Staff	167,818				167,818	150,626
Educational Media Services	98,306				98,306	91,800
Support Services General						
Administration	341,504				341,504	323,661
Support Services School						
Administration	466,596				466,596	467,553
Maintenance for School Facilities	53,367				53,367	101,327
Operation & Maintenance of						
Plant Services	803,817				803,817	815,898

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2012	JUNE 30, 2011
						(MEMORANDUM ONLY)
Expenditures (continued):						
Current Expense (continued):						
Student Transportation Services	495,948				495,948	486,321
Business & Other Support Services		18,015			18,015	1,590
Central Services	237,517				237,517	226,022
Unallocated Benefits	1,926,508	11,626			1,938,134	1,941,321
Nonbudgeted Expenditures	987,084				987,084	836,762
Capital Outlay	185,403				185,403	300,253
Debt Service:						
Principal				740,000	740,000	720,000
Interest & Other Charges				173,575	173,575	205,750
Total Expenditures	12,513,045	317,349		913,575	13,743,969	13,463,824
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	229,038		24		229,062	200,213
Other Financing Sources/(Uses):						
Operating Transfers Out			(24)		(24)	(69,200)
Operating Transfers In	24				24	69,200
Total Other Financing Sources/(Uses)	24		(24)			
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	229,062				229,062	200,213
Fund Balance July 1, as Previously Stated	1,168,229	264,362			1,432,591	1,175,296
Prior Period Adjustment						57,082
Fund Balance - July 1, Restated	1,168,229	264,362			1,432,591	1,232,378
Fund Balance - June 30	\$1,397,291	-	264,362	-	1,661,653	1,432,591

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$229,062

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	(\$600,000)	
Capital Outlays	<u>174,154</u>	(425,846)

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. 740,000

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Accrued Interest Prior Year	25,052	
Accrued Interest Current Year	<u>(18,742)</u>	6,310

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

Current Year	(462,506)	
Prior Year	<u>467,737</u>	5,231

Change in Net Assets of Governmental Activities \$554,757

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

Proprietary Funds

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	SUMMER RECREATION	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Current Assets:				
Cash & Cash Equivalents	\$1,207	78,610	79,817	93,653
Accounts Receivable:				
State		152	152	257
Federal		3,900	3,900	5,288
Interfund		8,107	8,107	2,394
Inventories		8,710	8,710	6,231
Total Current Assets	1,207	99,479	100,686	107,823
Noncurrent Assets:				
Equipment		74,827	74,827	56,514
Less: Accumulated Depreciation		(45,749)	(45,749)	(42,452)
Total Fixed Assets		29,078	29,078	14,062
Total Assets	1,207	128,557	129,764	121,885
LIABILITIES				
Deferred Revenue		1,773	1,773	
Total Liabilities		1,773	1,773	
NET ASSETS				
Net Assets:				
Invested in Capital Assets		29,078	29,078	14,062
Unrestricted	1,207	97,706	98,913	107,823
Total Net Assets	\$1,207	126,784	127,991	121,885

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	SUMMER RECREATION	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs		119,171	119,171	129,735
Daily Sales - Nonreimbursable Programs		61,962	61,962	61,573
Tuition				10,150
Total Operating Revenue		<u>181,133</u>	<u>181,133</u>	<u>201,458</u>
Operating Expenses:				
Salaries		100,444	100,444	107,221
Employee Benefits		19,057	19,057	18,936
Transportation				1,172
Management Fee		17,340	17,340	17,000
Repairs & Miscellaneous Expenses		9,535	9,535	3,414
Supplies and Materials		964	964	19,543
Cost of Sales		132,739	132,739	123,681
Depreciation		3,297	3,297	1,971
Total Operating Expenses		<u>283,376</u>	<u>283,376</u>	<u>292,938</u>
Operating Income/(Loss)		<u>(102,243)</u>	<u>(102,243)</u>	<u>(91,480)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program		3,193	3,193	3,257
Federal Sources:				
National School Lunch Program		71,086	71,086	64,739
National School Breakfast Program		8,562	8,562	6,357
Special Milk Program		253	253	267
Food Distribution Program		25,255	25,255	17,001
Total Nonoperating Revenues/Expenses		<u>108,349</u>	<u>108,349</u>	<u>91,621</u>
Net Income/(Loss) Before Other Financing Sources/(Uses)		<u>6,106</u>	<u>6,106</u>	<u>141</u>
Other Financing Sources/(Uses):				
Interest Revenue - Board Contribution				885
Total Other Financing Sources/(Uses)				<u>885</u>
Net Income/(Loss)		6,106	6,106	1,026
Total Net Assets - Beginning	\$1,207	120,678	121,885	120,859
Total Net Assets - Ending	<u>\$1,207</u>	<u>126,784</u>	<u>127,991</u>	<u>121,885</u>

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	SUMMER RECREATION	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
<u>ENTERPRISE FUNDS</u>				
(MEMORANDUM ONLY)				
Cash Flows From Operating Activities:				
Receipts from Customers		177,193	177,193	259,739
Payments to Employees		(100,444)	(100,444)	(107,221)
Payments for Employee Benefits		(19,057)	(19,057)	(18,936)
Payments to Suppliers		(163,057)	(163,057)	(160,894)
Net Cash Provided/(Used) by Operating Activities		(105,365)	(105,365)	(27,312)
Cash Flows From Noncapital Financing Activities:				
State Sources		3,298	3,298	3,402
Federal Sources		106,544	106,544	88,653
Net Cash Provided/(Used) by Noncapital Financing Activities		109,842	109,842	92,055
Cash Flows From Capital & Related Financing Activities				
Purchases of Capital Assets		(18,313)	(18,313)	
Net Cash Provided/(Used) by Capital & Related Financing Activities		(18,313)	(18,313)	
Cash Flows From Investing Activities:				
Interest & Dividends				885
Net Cash Provided/(Used) by Investing Activities				885
Net Increase/(Decrease) in Cash & Cash Equivalents		(13,836)	(13,836)	65,628
Balances - Beginning of Year	\$1,207	92,446	93,653	28,025
Balances - End of Year	\$1,207	78,610	79,817	93,653

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

Operating Income/(Loss)	\$ -	(102,243)	(102,243)	(91,480)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Depreciation & Net Amortization		3,297	3,297	1,971
Increase/(Decrease) in Deferred Revenue		1,773	1,773	58,281
(Increase)/Decrease in Accounts Receivable		(5,713)	(5,713)	
(Increase)/Decrease in Inventories		(2,479)	(2,479)	3,916
Total Adjustments		(3,122)	(3,122)	64,168
Net Cash Provided/(Used) by Operating Activities	\$ -	(105,365)	(105,365)	(27,312)

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

Fiduciary Fund

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	PRIVATE PURPOSE				TOTALS	
	UNEMPLOYMENT		AGENCY		(MEMORANDUM ONLY)	
	SCHOLARSHIP ACCOUNT	COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalent Interfund	\$5,126	110,746	12,266	1,447	129,585	135,711
				2,201	2,201	
Total Assets	5,126	110,746	12,266	3,648	131,786	135,711
LIABILITIES						
Payroll Deductions & Withholdings				3,648	3,648	1,064
Due to Student Groups			12,266		12,266	9,573
Total Liabilities			12,266	3,648	15,914	10,637
NET ASSETS						
Reserved	5,126				5,126	5,284
Unreserved		110,746			110,746	119,790
Total Net Assets	\$5,126	110,746	-	-	115,872	125,074

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT		(MEMORANDUM ONLY)	
	SCHOLARSHIP ACCOUNT	COMPENSATION TRUST	JUNE 30, 2012	JUNE 30, 2011
ADDITIONS				
Contributions:				
Other		11,363	11,363	13,607
Total Contributions		11,363	11,363	13,607
Investment Earnings:				
Interest	\$42	1,404	1,446	1,561
Net Investment Earnings	42	1,404	1,446	1,561
Total Additions	42	12,767	12,809	15,168
DEDUCTIONS				
Unemployment Claims		21,811	21,811	28,187
Scholarships Awarded	200		200	
Total Deductions	200	21,811	22,011	28,187
Change in Net Assets	(158)	(9,044)	(9,202)	(13,019)
Net Assets - Beginning of the Year	5,284	119,790	125,074	138,493
Net Assets - End of the Year	\$5,126	110,746	115,872	125,474

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

**SOUTHAMPTON TOWNSHIP
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Southampton Township Board of Education 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 beginning with the fiscal year-ending June 30, 2004 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*; Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

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, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity:

The Southampton Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The 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 K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The operations of the District include two elementary schools and one middle school located in Southampton Township. The Southampton Township Board of Education has an approximate enrollment at June 30, 2012 of 790 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:

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

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

A. Reporting Entity (continued):

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

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.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

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.

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 Southampton Township Board of Education 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 Southampton Township Board of Education 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.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

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

D. Fund Accounting (continued):

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

Proprietary Fund (continued):

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 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

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 does not maintain 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.,

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012**

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

E. Basis of Accounting (continued):

revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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, private purpose 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 Southampton Township Board of Education 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 Southampton Township Board of Education'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 or around the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

F. Budgets/Budgetary Control (continued):

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 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	\$12,764,740	\$317,349
Difference – Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	147,062	

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

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

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(169,719)</u>	<u> </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$12,742,083</u>	<u>\$317,349</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$12,513,045</u>	<u>\$317,349</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances -- governmental funds	<u>\$12,513,045</u>	<u>\$317,349</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 Southampton Township Board of Education 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:

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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

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

H. Cash & Cash Equivalents (continued):

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

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, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2009-2010 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

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.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

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

J. Inventories & Prepaid Expenses (continued):

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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 Southampton Township Board of Education 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 the District as 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:

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 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, 2012 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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

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

N. Compensated Absences (continued):

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 liability.

O. Deferred Revenue

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

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.

R. Subsequent Events

The Southampton Township Board of Education has evaluated subsequent events occurring after June 30, 2012 through the date of September 14, 2012, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2012 and reported at fair value are as follows:

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 2. Cash and Cash Equivalents (continued):

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$1,488,534</u>
Total Deposits	<u>\$1,488,534</u>
Reconciliation to Statements of Net Assets:	
Governmental Activities	\$1,279,132
Business-Type Activities	79,817
Fiduciary Funds	<u>129,585</u>
Total Cash and Cash Equivalents	<u>\$1,488,534</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, the District's bank balance of \$1,873,302 was insured or collateralized as follows:

Insured	\$ 500,000
Collateralized in the District's Name Under GUDPA (See Note 4)	<u>1,373,302</u>
Total	<u>\$1,873,302</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2012 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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

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 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 Southampton Township Board of Education by inclusion of \$1 on September 25, 2000 for the accumulation of funds for use as capital outlay

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012**

Note 4. Capital Reserve Account (continued):

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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 97,364
June Resolution	125,000
Interest Earnings	<u>3,836</u>
Ending Balance, June 30, 2012	<u>\$226,200</u>

Note 5. Fixed Assets

The following schedule is a summarization of the general fixed assets for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Site	\$ 537,670	\$ 27,248	\$ -	\$ -	\$ 564,918
Building & Improvements	22,199,774	96,224			22,295,998
Machinery	1,155,424	50,682			1,206,106
Vehicles	<u>19,934</u>				<u>19,934</u>
Subtotal	23,912,802	174,154			24,086,956
Accumulated Depreciation	<u>(6,277,456)</u>	<u>(600,000)</u>			<u>(6,877,456)</u>
Total	<u>\$17,635,346</u>	<u>\$(425,846)</u>	\$ -	\$ -	<u>\$17,209,500</u>

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

Note 5. Fixed Assets (continued):

The following schedule is a summary of the proprietary fund type fixed assets at June 30, 2012:

	Balance June 30, 2012
Machinery & Equipment	\$74,827
Depreciation	<u>(45,749)</u>
Total	<u>\$29,078</u>

Note 6. Long-Term Debt

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the Long-Term Debt Account Group:

	Balance 6/30/11	Issued	Retired	Balance 6/30/12	Due Within One Year
Compensated Absences	\$ 467,737	\$ -	\$ (5,231)	\$ 462,506	
Bonds Payable	<u>4,505,000</u>		<u>(740,000)</u>	<u>3,765,000</u>	<u>\$760,000</u>
Total	<u>\$4,972,737</u>	<u>\$ -</u>	<u>\$(745,231)</u>	<u>\$4,227,506</u>	<u>\$760,000</u>

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 outstanding bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 760,000	\$140,750	\$ 900,750
2014	765,000	107,275	872,275

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

Note 6. Long-Term Debt (continued):

A. Bonds Payable (continued):

Year Ending June 30,	Principal	Interest	Total
2015	410,000	73,975	483,975
2016	430,000	60,650	490,650
2017	460,000	46,675	506,675
2018-2019	<u>940,000</u>	<u>48,175</u>	<u>988,175</u>
Total	<u>\$3,765,000</u>	<u>\$477,500</u>	<u>\$4,242,500</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2012 the Board had no authorized but not issued bonds.

Note 7. 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 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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

Note 7. Pension Plans (continued):

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:6C* 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.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Significant Legislation below.

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 ½ 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.

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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012**

Note 7. Pension Plans (continued):

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.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

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 6.5%, effective October 1, 2011, 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
6/30/12	\$149,752	100%	\$ -0-
6/30/11	101,687	100%	-0-
6/30/10	80,272	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
6/30/12	\$560,743	100%	\$ -0-
6/30/11	411,209	100%	-0-
6/30/10	406,412	100%	-0-

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

Note 7. Pension Plans (continued):

During the year ended June 30, 2012 the State of New Jersey contributed \$560,743 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 \$426,341 for the year ended June 30, 2012 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.

Note 8. 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, 2011, there were 93,323 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Note 9. 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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012**

Note 9. Risk Management (continued):

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
2011-2012	\$11,363	\$ 1,404	\$21,811	\$110,746
2010-2011	10,855	1,515	28,187	119,790
2009-2010	10,924	1,688	15,861	135,607

Note 10. GASB #54 – Fund Balance Disclosures

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$1,397,291 General Fund fund balance at June 30, 2012, \$137,948 has been committed to other purposes; \$226,200 has been restricted for the Capital Reserve Account; \$207,882 has been restricted as excess surplus designated for subsequent year's expenditures and has been appropriated and included as anticipated revenue for year ending June 30, 2012; \$271,257 has been restricted as excess surplus; \$206,045 has been restricted for Emergency Reserve; \$127,512 has been restricted for Maintenance Reserve; \$125,625 has been restricted for Tuition Reserve; \$9,784 has been appropriated and included as anticipated revenue for the year ending June 30, 2012 and \$85,038 is unassigned.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012**

Note 11. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$416,985	\$ 10,473
Special Revenue Fund	165	
Capital Projects Fund		416,984
Payroll Fund	2,201	
Debt Service Fund		1
Enterprise Fund	<u>8,107</u>	<u> </u>
Total	<u>\$427,458</u>	<u>\$427,458</u>

The purpose of these interfund balances at June 30, 2012 are for short-term borrowings.

Note 12. Deferred Compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Equitable Valic

Note 13. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2012

Note 13. Compensated Absences (continued):

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, 2012 is \$462,506.

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, 2012 no liability existed for compensated absences in the proprietary fund types.

Note 14. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), and 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 excess fund balance at June 30, 2012 is \$271,257.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$9,537,076		9,537,076	9,537,076		9,557,076		9,557,076	9,557,076	
Tuition	10-1300				2,000	2,000	2,000		2,000	1,000	(1,000)
Interest Earned on Current Expense Emergency Reserve	10-xxxx	600		600	2,563	1,963	200		200		(200)
Interest Earned on Current Expense Maintenance Reserve	10-xxxx	75		75	1,574	1,499					
Interest Earned on Capital Reserve Funds	10-1500	200		200	3,836	3,636	600		600	1,934	1,334
Miscellaneous	10-1900	44,525		44,525	44,748	223	51,525		51,525	58,104	6,579
Total Local Sources		9,582,476		9,582,476	9,591,797	9,321	9,611,401		9,611,401	9,618,114	6,713
State Sources:											
Categorical Special Education Aid	10-3132	425,829		425,829	425,829		425,829		425,829	425,829	
Equalization Aid	10-3176	295,796		295,796	295,796		295,796		295,796	295,796	
Categorical Security Aid	10-3177	69,369		69,369	69,369		69,369		69,369	69,369	
Adjustment Aid	10-3178	818,933	117,521	936,454	936,454		701,412		701,412	701,412	
Categorical Transportation Aid	10-3121	369,941		369,941	369,941		369,941		369,941	369,941	
Other State Aid					4,757	4,757				13,801	13,801
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					560,743	560,743				411,209	411,209
Reimbursed TPAF Social Security Contributions					426,341	426,341				425,553	425,553
Total State Sources		1,979,868	117,521	2,097,389	3,089,230	991,841	1,862,347		1,862,347	2,712,910	850,563
Federal Sources:											
Education Jobs Fund	18-4522	81,170	2,543	83,713	83,713						
Total Federal Sources		81,170	2,543	83,713	83,713						
Total Revenues		11,643,514	120,064	11,763,578	12,764,740	1,001,162	11,473,748		11,473,748	12,331,024	857,276

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	11-110-100-101	291,565	14,500	306,065	304,130	1,935	315,847	(19,900)	295,947	293,932	2,015
Grades 1 - 5	11-120-100-101	1,689,115	(42,500)	1,646,615	1,608,666	37,949	1,745,362	(114,301)	1,631,061	1,621,354	9,707
Grades 6 - 8	11-130-100-101	1,125,113	23,000	1,148,113	1,116,676	31,437	1,161,519	(46,500)	1,115,019	1,107,278	7,741
Regular Programs - Home Instruction:											
Salaries of Teachers	11-150-100-101	2,700	4,000	6,700	4,680	2,020	3,100	3,600	6,700	6,438	262
Purchased Professional/Educational Services	11-150-100-320	1,000	2,000	3,000	1,855	1,145	1,000		1,000	330	670
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	106,116	1,906	108,022	104,620	3,402	113,156	(9,500)	103,656	99,117	4,539
Purchased Professional/Educational Services	11-190-100-320	53,923		53,923	53,738	185	43,360	8,300	51,660	51,571	89
General Supplies	11-190-100-610	440,403	(24,419)	415,984	367,065	48,919	186,500	251,508	438,008	364,547	73,461
Textbooks	11-190-100-640	14,761	35,200	49,961	48,532	1,429	20,500	(9,023)	11,477	8,370	3,107
Other Objects	11-190-100-890	48,820		48,820	34,148	14,672	43,000	6,000	49,000	36,491	12,509
Total Regular Programs		3,773,516	13,687	3,787,203	3,644,110	143,093	3,633,344	70,184	3,703,528	3,589,428	114,100
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	220,140	10,000	230,140	224,857	5,283	210,198	20,000	230,198	217,667	12,531
Other Salaries for Instruction	11-204-100-106	74,759		74,759	73,165	1,594	73,058	20,000	93,058	92,796	262
Total Learning and/or Language Disabilities		294,899	10,000	304,899	298,022	6,877	283,256	40,000	323,256	310,463	12,793
Resource Room/ Resource Center:											
Salaries of Teachers	11-213-100-101	837,887	4,800	842,687	835,022	7,665	825,181	(63,600)	761,581	741,740	19,841
Purchased Professional/Educational Services	11-213-100-320	67,500	(16,800)	50,700	23,328	27,372					
Textbooks	11-213-100-640						1,200	(800)	400	328	72
Total Resource Room		905,387	(12,000)	893,387	858,350	35,037	826,381	(64,400)	761,981	742,068	19,913

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Preschool Disabilities - Part-Time:											
Salaries of Teachers	11-215-100-101	103,295	(20,000)	83,295	81,598	1,697	108,833		108,833	80,895	27,938
Other Salaries for Instruction	11-215-100-106	19,191		19,191	18,763	428	18,655		18,655	18,288	367
General Supplies	11-215-100-610	2,500		2,500	1,777	723	2,400		2,400	1,338	1,062
Total Preschool Disabilities - Part-Time		124,986	(20,000)	104,986	102,138	2,848	129,888		129,888	100,521	29,367
Total Special Education		1,325,272	(22,000)	1,303,272	1,258,510	44,762	1,239,525	(24,400)	1,215,125	1,153,052	62,073
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	383,667	(15,250)	368,417	368,373	44	265,801	68,800	334,601	334,557	44
Purchased Professional/Educational Services	11-230-100-320	38,600	(3,000)	35,600	34,786	814					
General Supplies	11-230-100-610	1,200	1,000	2,200	2,200		450		450	450	
Total Basic Skills/Remedial		423,467	(17,250)	406,217	405,359	858	266,251	68,800	335,051	335,007	44
Right to Intervention:											
Salaries	11-231-100-101		6,250	6,250	6,240	10		6,000	6,000	4,535	1,465
Total Right to Intervention			6,250	6,250	6,240	10		6,000	6,000	4,535	1,465
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-101	20,961	3,600	24,561	22,964	1,597	22,468		22,468	21,602	866
Purchased Services	11-401-100-500	110		110	60	50	60		60	30	30
Supplies & Materials	11-401-100-610	5,070	(3,600)	1,470	1,440	30	6,360		6,360	4,376	1,984
Total School Sponsored Cocurricular Activities		26,141		26,141	24,464	1,677	28,888		28,888	26,008	2,880
School Sponsored Athletics:											
Salaries	11-402-100-101	43,263		43,263	41,964	1,299	42,868		42,868	41,716	1,152
Purchased Services	11-402-100-500	6,595		6,595	5,511	1,084	5,695		5,695	5,551	144
Supplies & Materials	11-402-100-610	7,935	2,445	10,380	8,636	1,744	8,986		8,986	4,566	4,420

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total School Sponsored Athletics	57,793	2,445	60,238	56,111	4,127	57,549		57,549	51,833	5,716
Other Instruction Programs										
Salaries	4,800	(485)	4,315	4,315						
PSH Summer Salaries - Aides		870	870	864	6					
PSD Summer Enrichment		4,085	4,085	4,079	6					
Purchased Services	2,500	(2,500)								
Total Other Instructional Programs	7,300	1,970	9,270	9,258	12					
Total - Instruction	5,613,489	(14,898)	5,598,591	5,404,052	194,539	5,225,557	120,584	5,346,141	5,159,863	186,278
Undistributed Expenditures:										
Instruction:										
Tuition Other LEA's - In State Regular							14,200	14,200	14,173	27
Tuition Other LEA's - In State Special Education	61,000	31,630	92,630	92,621	9	52,000	6,900	58,900	55,744	3,156
Tuition to CSSD & Regional Day Schools	292,552	(31,850)	260,702	260,655	47	133,243	105,000	238,243	237,026	1,217
Tuition to Private Schools for the Handicapped - State		6,720	6,720	6,699	21	240,998	(168,100)	72,898	72,832	66
Total Instruction	353,552	6,500	360,052	359,975	77	426,241	(42,000)	384,241	379,775	4,466
Attendance & Social Work Services:										
Salaries	7,350		7,350	7,350		7,350		7,350	7,350	
Total Attendance & Social Work Services	7,350		7,350	7,350		7,350		7,350	7,350	
Health Services:										
Salaries	105,250		105,250	102,825	2,425	138,575	(33,175)	105,400	100,650	4,750
Purchased Professional & Educational Services	6,675		6,675	4,683	1,992	5,500	1,500	7,000	6,805	195
Supplies and Materials	5,400		5,400	4,440	960	6,000	2,875	8,875	5,936	2,939
Other Objects	800		800	80	720		800	800	195	605

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Health Services	118,125		118,125	112,028	6,097	150,075	(28,000)	122,075	113,586	8,489
Other Support Services - Students - Related Services:										
Salaries 11-000-216-101	98,625	13,000	111,625	111,113	512	81,650	27,500	109,150	108,788	362
Purchased Professional & Educational Services 11-000-216-320	153,676	(3,500)	150,176	142,143	8,033	152,024	(1,500)	150,524	128,827	21,697
Supplies & Materials 11-000-216-610	17,600		17,600	17,179	421	2,600		2,600	1,899	701
Total Other Services - Students - Related Services	269,901	9,500	279,401	270,435	8,966	236,274	26,000	262,274	239,514	22,760
Other Support Services - Students - Regular:										
Salaries of Other Professional Staff 11-000-218-104	165,225	625	165,850	165,850		162,725	2,325	165,050	163,350	1,700
Purchased Professional & Educational Services 11-000-218-320	7,500		7,500	6,657	843	14,500		14,500	13,080	1,420
Other Purchased Professional & Technical Services 11-000-218-390	8,800	(625)	8,175	7,467	708	10,850		10,850	7,894	2,956
Other Purchased Services 11-000-218-500						1,700		1,700	815	885
Supplies & Materials 11-000-218-610	1,700		1,700	1,625	75	600		600		600
Other Objects 11-000-218-890	600		600		600					
Total Other Support Services - Students - Regular	183,825		183,825	181,599	2,226	190,375	2,325	192,700	185,139	7,561

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	263,610	(320)	263,290	249,858	13,432	276,150	(4,825)	271,325	257,350	13,975
Salaries of Secretarial & Clerical Assistants	11-000-219-105	31,334	(300)	31,034	29,652	1,382	30,375	2,000	32,375	31,925	450
Purchased Professional & Educational Services	11-000-219-320	2,750		2,750	2,750		2,750		2,750	2,750	
Supplies & Materials	11-000-219-610	4,500	1,220	5,720	5,720		4,500	1,900	6,400	6,231	169
Other Objects	11-000-219-800	300		300	291	9	300	300	600	445	155
Total Other Support Services - Students - Special Services		302,494	600	303,094	288,271	14,823	314,075	(625)	313,450	298,701	14,749
Other Support Services - Students - Extraordinary Services:											
Salaries	11-000-217-106	104,695	24,000	128,695	125,467	3,228	44,007	37,400	81,407	80,936	471
Contracted Services	11-000-217-320						80,000	(80,000)			
Supplies & Materials	11-000-217-610						6,000		6,000	5,609	391
Other Objects	11-000-217-890	500	(500)								
Total Other Support Services - Students - Extraordinary Services		105,195	23,500	128,695	125,467	3,228	130,007	(42,600)	87,407	86,545	862
Improvement of Instructional Staff											
Salaries of Supervisors of Instruction	11-000-221-102	54,677	35,500	90,177	90,177		54,618		54,618	53,239	1,379
Other Purchased Professional & Technical Services	11-000-221-390	23,560	(5,125)	18,435	18,415	20	15,000	(4,000)	11,000	9,020	1,980
Total Instructional Staff Training		78,237	30,375	108,612	108,592	20	69,618	(4,000)	65,618	62,259	3,359
Instructional Staff Training:											
Salaries of Supervisors of Instruction	11-000-223-102	54,677	(14,100)	40,577	40,127	450	54,618	6,750	61,368	61,336	32
Salaries of Other Professional Staff	11-000-223-104	8,000	(8,000)								
Other Objects	11-000-223-800	19,000	1,300	20,300	19,099	1,201	16,500	10,650	27,150	27,031	119
Total Instructional Staff Training		81,677	(20,800)	60,877	59,226	1,651	71,118	17,400	88,518	88,367	151

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Educational Media Services/School Library:											
Salaries	11-000-222-101	73,982	(15,997)	57,985	57,917	68	71,408	(15,573)	55,835	55,492	343
Salaries - Aides	11-000-222-106		15,997	15,997	13,997	2,000		15,573	15,573	13,438	2,135
Purchased Professional & Technical Services	11-000-222-320	6,100		6,100	5,450	650	5,128		5,128	5,002	126
Supplies and Materials	11-000-222-610	30,000	(600)	29,400	20,942	8,458	24,500	2,000	26,500	17,868	8,632
Total Educational Media Services/School Library		110,082	(600)	109,482	98,306	11,176	101,036	2,000	103,036	91,800	11,236
Support Services General Administration:											
Salaries	11-000-230-101	204,479	700	205,179	205,152	27	202,993	10,000	212,993	211,308	1,685
Legal Services	11-000-230-331	14,500	7,120	21,620	21,596	24	15,000	(4,000)	11,000	10,240	760
Audit Fees	11-000-230-332	17,500	(900)	16,600	16,600		16,250		16,250	16,250	
Architectural/Engineering Services	11-000-230-334	3,000	15,500	18,500	18,257	243	8,000		8,000	2,623	5,377
Other Purchased Professional Services	11-000-230-339						3,000	(3,000)			
Communications/Telephone	11-000-230-530	37,000	(5,700)	31,300	31,268	32	29,350	4,500	33,850	32,592	1,258
Other Purchased Services	11-000-230-590	15,600	(280)	15,320	15,320		20,200		20,200	19,926	274
General Supplies	11-000-230-610	4,000	3,400	7,400	7,378	22	3,000	2,000	5,000	4,789	211
Miscellaneous Expenditures	11-000-230-890	27,000	(7,500)	19,500	19,500		20,200	(110)	20,090	19,500	590
BOE Membership Dues & Fees	11-000-230-895	6,500	(60)	6,440	6,433	7	7,500	(1,066)	6,434	6,433	1
Total Support Services General Administration		329,579	12,280	341,859	341,504	355	325,493	8,324	333,817	323,661	10,156
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	275,430		275,430	275,430		271,380	(3,200)	268,180	268,129	51
Salaries of Secretarial & Clerical Assistants	11-000-240-105	116,214	(510)	115,704	108,932	6,772	106,287	(800)	105,487	104,797	690
Other Purchased Services	11-000-240-580	1,000	300	1,300	907	393	1,000		1,000	317	683
Supplies and Materials	11-000-240-610	14,000	90	14,090	11,244	2,846	14,000	1,800	15,800	13,317	2,483
Other Objects	11-000-240-800	5,100	500	5,600	5,495	105	5,100	(1,350)	3,750	3,278	472
Total Support Services School Administration		411,744	380	412,124	402,008	10,116	397,767	(3,550)	394,217	389,838	4,379

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Central Services:											
Salaries	11-000-251-100	213,386	(88,008)	125,378	125,378		209,353	(85,827)	123,526	123,525	1
Salaries - Staff	11-000-251-105		88,008	88,008	88,008			85,827	85,827	85,652	175
Purchased Professional Services	11-000-251-330	10,000	(1,200)	8,800	8,774	26	9,600	(800)	8,800	8,774	26
Supplies and Materials	11-000-251-610	6,300	6,800	13,100	13,011	89	6,300		6,300	5,918	382
Miscellaneous Expenditures	11-000-251-800	3,000	(650)	2,350	2,346	4	3,000	(500)	2,500	2,153	347
Total Central Services		232,686	4,950	237,636	237,517	119	228,253	(1,300)	226,953	226,022	931
Administrative Information Technology:											
Salaries	11-000-252-100	2,289	(2,289)								
Purchased Professional Services	11-000-252-330	68,900	(6,531)	62,369	60,086	2,283	60,000	17,300	77,300	77,300	
Supplies and Materials	11-000-252-600	2,000	2,600	4,600	4,502	98	1,000		1,000	415	585
Other Objects	11-000-252-800	500		500		500					
Total Administrative Information Technology		73,689	(6,220)	67,469	64,588	2,881	61,000	17,300	78,300	77,715	585
Interest Earned on Current Expense											
Maintenance Reserve	10-606	75		75		75					
Total Interest Earned on Current Expense		75		75		75					
Allowable Maintenance for School Facilities:											
Cleaning, Repair & Maintenance											
Services	11-000-261-420	69,150	35,800	104,950	33,675	71,275	69,150	28,195	97,345	79,913	17,432
Supplies	11-000-261-610	18,000	13,219	31,219	19,692	11,527	15,000	19,494	34,494	21,414	13,080
Total Allowable Maintenance for School Facilities		87,150	49,019	136,169	53,367	82,802	84,150	47,689	131,839	101,327	30,512
Operation & Maintenance of Plant Services:											
Salaries	11-000-262-101	450,579	1,760	452,339	436,099	16,240	447,647	(6,570)	441,077	412,393	28,684
Salaries - Aides	11-000-262-106		11,952	11,952	11,047	905		12,570	12,570	10,781	1,789
Purchased Professional/Technical Services	11-000-262-300	1,300		1,300	532	768	1,300		1,300	532	768
Cleaning, Repair & Maintenance Services	11-000-262-420	22,000		22,000	17,123	4,877	17,850	8,000	25,850	23,652	2,198

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Operation & Maintenance of Plant Services (continued):											
Other Purchased Property Services	11-000-262-490	48,500	(347)	48,153	22,492	25,661	33,500	10,000	43,500	34,256	9,244
Insurance	11-000-262-520	23,000	347	23,347	23,347		18,896		18,896	18,896	
General Supplies	11-000-262-610	59,000	6,242	65,242	64,612	630	59,000	7,030	66,030	55,448	10,582
Energy (Electricity)	11-000-262-622	165,000	(90,000)	75,000	55,993	19,007	140,000	(37,000)	103,000	79,269	23,731
Energy (Natural Gas)	11-000-262-621	145,000	31,000	176,000	172,197	3,803	190,000		190,000	178,758	11,242
Other Objects	11-000-262-800	2,500		2,500	375	2,125	3,500		3,500	1,913	1,587
Total Operation & Maintenance of Plant Services		916,879	(39,046)	877,833	803,817	74,016	911,693	(5,970)	905,723	815,898	89,825
Student Transportation Services:											
Contracted Services (Between Home & School) - Vendors	11-000-270-511	317,896	(12,000)	305,896	304,729	1,167	337,455	(34,000)	303,455	303,395	60
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	33,250		33,250	19,165	14,085	36,000		36,000	17,675	18,325
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-513	19,500	11,000	30,500	29,867	633	25,950	(3,800)	22,150	21,113	1,037
Contracted Services - (Jointures Special Education)	11-000-270-515	170,300		170,300	128,673	41,627	167,782	(16,200)	151,582	119,592	31,990
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	22,100	(11,000)	11,100	10,264	836	26,520	(6,000)	20,520	18,932	1,588
Other Objects	11-000-270-890	7,200		7,200	3,250	3,950	7,200		7,200	5,614	1,586
Total Student Transportation Services		570,246	(12,000)	558,246	495,948	62,298	600,907	(60,000)	540,907	486,321	54,586
Interest Earned on Current Expense											
Emergency Reserve	10-607	600		600		600	200		200		200
Total Interest Earned on Current Expense Emergency Reserve		600		600		600	200		200		200

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)		JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	BUDGET	ACTUAL	FINAL TO ACTUAL
Unallocated Benefits - Employee Benefits:											
Social Security - Other	11-000-291-220	119,500		119,500	116,947	2,553	111,500	14,000	125,500	107,553	17,947
Other Retirement Contributions-PERS	11-000-291-241	157,600		157,600	149,752	7,848	119,077	31,500	150,577	150,156	421
Unemployment Compensation	11-000-291-250	40,000	(40,000)				65,000	(65,000)			
Workmen's Compensation	11-000-291-260	45,682	800	46,482	45,707	775	47,760	326	48,086	48,086	
Health Benefits	11-000-291-270	1,570,071	33,450	1,603,521	1,563,306	40,215	1,728,085	(113,800)	1,614,285	1,570,061	44,224
Tuition Reimbursements	11-000-291-280	20,000		20,000	20,000		20,000		20,000	20,000	
Other Employee Benefits	11-000-291-290	25,850	5,750	31,600	30,796	804	8,956	25,800	34,756	32,729	2,027
Total Unallocated Benefits - Employee Benefits		1,978,703		1,978,703	1,926,508	52,195	2,100,378	(107,174)	1,993,204	1,928,585	64,619
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					560,743	(560,743)				411,209	(411,209)
Reimbursed TPAF Social Security Contributions					426,341	(426,341)				425,553	(425,553)
Total Undistributed Expenditures		6,211,789	58,438	6,270,227	6,923,590	(654,038)	6,406,010	(174,181)	6,231,829	6,739,165	(507,536)
Total Expenditures - Current Expense		11,825,278	43,540	11,868,818	12,327,642	(459,499)	11,631,567	(53,597)	11,577,970	11,899,028	(321,258)
Capital Outlay:											
Interest to Capital Reserve		200		200		200	600		600		600
Equipment:											
Equipment - Grades 6-8	12-130-100-730							5,010	5,010	5,003	7
Other Purchased Property Services	12-000-260-730		63,134	63,134	50,682	12,452		125,064	125,064	92,652	32,412
Custodial Services	12-000-262-730	34,500	(34,500)								
Total Equipment		34,500	28,634	63,134	50,682	12,652		130,074	130,074	97,655	33,019
Facilities Acquisition & Construction Services:											
Purchased Professional Services	12-000-400-320		45,822	45,822	35,266	10,556					
Legal Services	12-000-400-331		14,000	14,000	13,506	494					
Architectural/Engineering Services	12-000-400-334	8,000	(8,000)								
Construction Services	12-000-400-450		97,000	97,000	47,452	49,548					
Land and Improvements	12-000-400-710	50,000	(18,400)	31,600	27,248	4,352					
Other Objects	12-000-400-800	11,249		11,249	11,249		19,344		19,344	19,344	

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Facilities Acquisition & Construction Services	69,249	130,422	199,671	134,721	64,950	19,344		19,344	19,344	
Total Capital Outlay	103,949	159,056	263,005	185,403	77,802	19,944	130,074	150,018	116,999	33,619
Total Expenditures	11,929,227	202,596	12,131,823	12,513,045	(381,697)	11,651,511	76,477	11,727,988	12,016,027	(287,639)
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures Before Other Financing Sources/(Uses)	(285,713)	(82,532)	(368,245)	251,695	619,940	(177,763)	(76,477)	(254,240)	314,997	569,237
Other Financing Sources/(Uses):										
Capital Reserve:										
Transfer to Capital Projects		(2,596)	(2,596)		2,596	(150,000)		(150,000)	(69,176)	80,824
Interest from Capital Projects				24	24				24	24
Total Other Financing Uses		(2,596)	(2,596)	24	2,620	(150,000)		(150,000)	(69,152)	80,848
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures After Other Financing Sources/(Uses)	(285,713)	(85,128)	(370,841)	251,719	622,560	(327,763)	(76,477)	(404,240)	245,845	650,085
Fund Balances, July 1, as Previously Stated	1,315,291		1,315,291	1,315,291		1,129,655		1,129,655	1,129,655	
Prior Period Adjustment						(60,209)		(60,209)	(60,209)	
Fund Balances, July 1, Restated	1,315,291		1,315,291	1,315,291		1,069,446		1,069,446	1,069,446	
Fund Balances, June 30	<u>\$1,029,578</u>	<u>(85,128)</u>	<u>944,450</u>	<u>1,567,010</u>	<u>622,560</u>	<u>741,683</u>	<u>(76,477)</u>	<u>665,206</u>	<u>1,315,291</u>	<u>650,085</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$226,200
Emergency Reserve	206,045
Maintenance Reserve	127,512
Tuition Reserve - Prior Year Adjustment	50,000
Tuition Reserve - Current Year Adjustment	75,625
Excess Surplus	271,257
Reserved Excess Surplus Designated for Subsequent Year's Expenditures	207,882
Committed Fund Balance:	
Year-end Encumbrances	137,948
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	9,784
Unassigned Fund Balance	<u>254,757</u>
Subtotal	1,567,010
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(169,719)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$1,397,291</u>

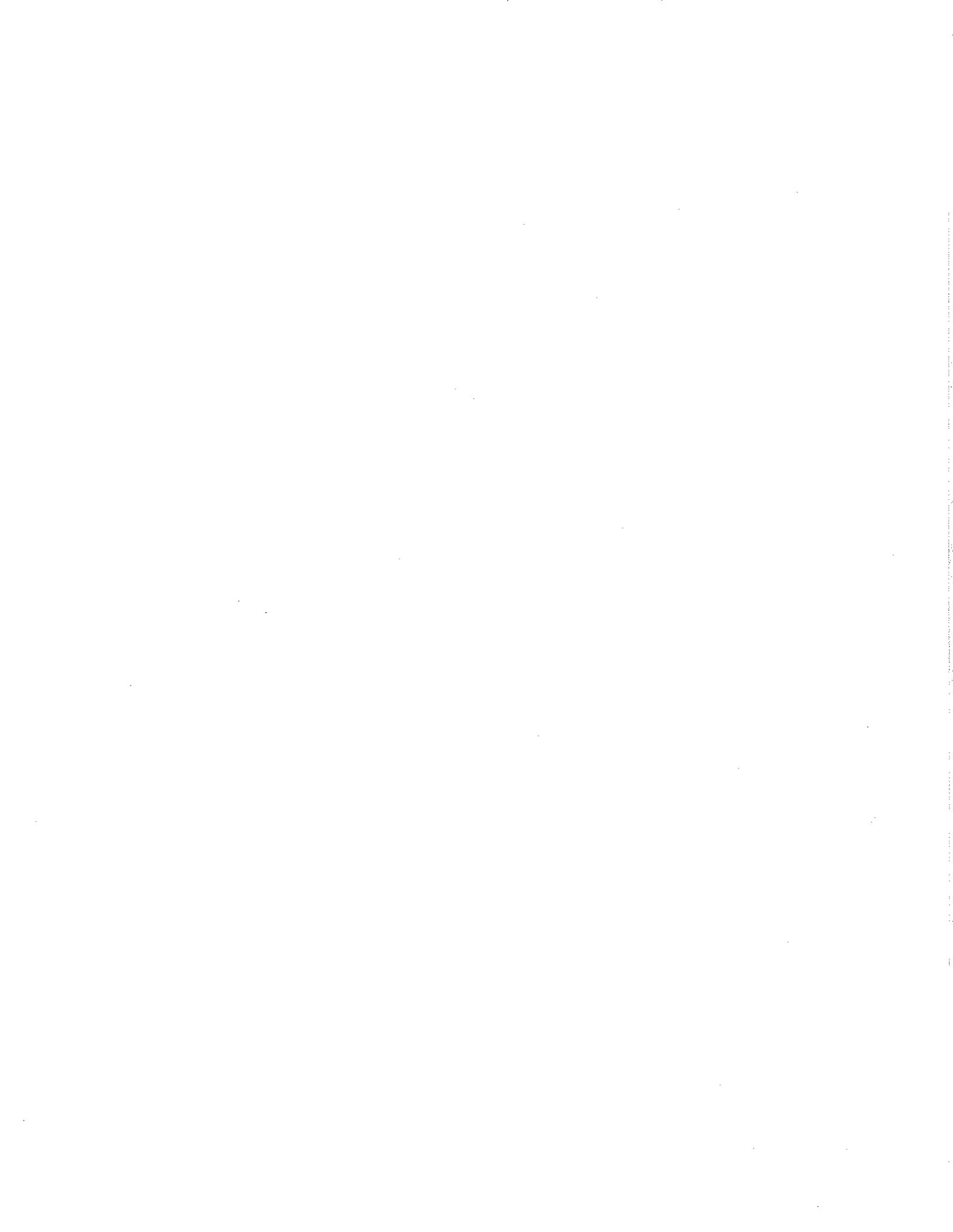
**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
 EDUCATION JOBS FUND -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEARS ENDED JUNE 30, 2012**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Federal Sources:						
Education Jobs Fund	18-xxx	\$81,170	2,543	83,713	83,713	
Total Federal Sources		81,170	2,543	83,713	83,713	
Total Revenues		81,170	2,543	83,713	83,713	
Expenditures:						
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	18-190-100-106	81,170	2,543	83,713	83,713	
Total Unallocated Benefits		81,170	2,543	83,713	83,713	
Total Expenditures		81,170	2,543	83,713	83,713	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		-	-	-	-	-
(Under) Expenditures & Other Financing Sources/(Uses)		\$ -	-	-	-	-

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

REVENUES	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Local Sources		11,913	11,913	11,913			23,361	23,361	23,361	
Federal Sources	\$246,666	58,770	305,436	305,436		242,372	73,060	315,432	315,432	
Total Revenues	246,666	70,683	317,349	317,349		242,372	96,421	338,793	338,793	
EXPENDITURES:										
Instruction:										
Salaries of Teachers	54,129	4,002	58,131	58,131		50,903	12,776	63,679	63,679	
Other Salaries						1,105	(1,105)			
Purchased Professional & Technical Services	10,628	2,320	12,948	12,948		176,338	(163,835)	12,503	12,503	
Other Purchased Services						1,919	(1,919)			
Tuition	169,470	35,246	204,716	204,716			223,924	223,924	223,924	
General Supplies	850	11,063	11,913	11,913		1,536	22,825	24,361	24,361	
Total Instruction	235,077	52,631	287,708	287,708		231,801	92,666	324,467	324,467	
Support Services:										
Personal Services - Employee Benefits	10,825	801	11,626	11,626		10,180	2,556	12,736	12,736	
Purchased Professional Services	764	17,251	18,015	18,015		391	1,199	1,590	1,590	
Total Support Services	11,589	18,052	29,641	29,641		10,571	3,755	14,326	14,326	
Total Expenditures	246,666	70,683	317,349	317,349		242,372	96,421	338,793	338,793	
Total Outflows	246,666	70,683	317,349	317,349		242,372	96,421	338,793	338,793	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION



**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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)	\$12,764,740	317,349
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	147,062	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(169,719)	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$12,742,083	317,349
	<hr/> <hr/>	
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$12,513,045	317,349
	<hr/>	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$12,513,045	317,349
	<hr/> <hr/>	

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund



**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	NO CHILD LEFT BEHIND		I.D.E.A. PART B BASIC
	TITLE I	TITLE II - PART A	
Revenues:			
Federal Sources	\$57,923	28,835	205,730
Local Sources			
Total Revenues	\$57,923	28,835	205,730
Expenditures:			
Instruction:			
Salaries of Teachers	\$34,102	24,029	
Other Technical Services			
Tuition			204,716
General Supplies			
Total Instruction	34,102	24,029	204,716
Support Services:			
Employee Benefits	6,820	4,806	
Purchase of Professional Services	17,001		1,014
Total Support Services	23,821	4,806	1,014
Total Expenditures	\$57,923	28,835	205,730

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	I.D.E.A. PRESCHOOL PROGRAM	STAR FOUNDATION	2012	2011
Revenues:				
Federal Sources	\$12,948		305,436	315,432
Local Sources		11,913	11,913	23,361
Total Revenues	\$12,948	11,913	317,349	338,793
Expenditures:				
Instruction:				
Salaries of Teachers			58,131	63,679
Other Technical Services	\$12,948		12,948	12,503
Tuition			204,716	223,924
General Supplies		11,913	11,913	24,361
Total Instruction	12,948	11,913	287,708	324,467
Support Services:				
Employee Benefits			11,626	12,736
Purchase of Professional Services			18,015	1,590
Total Support Services			29,641	14,326
Total Expenditures	\$12,948	11,913	317,349	338,793

F. Capital Projects Fund



SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		REDUCTION FROM SCC -PRIOR YEARS	TRANSFER FROM CAPITAL RESERVE	UNEXPENDED BALANCE JUNE 30, 2012
			PRIOR YEARS	CURRENT YEAR			
Completion of Various Improvements & Renovations at School No. 2	6/01/03	\$4,078,322	3,240,421		(576,752)		261,149
Completion of Cafeteria Renovations at School No. 2	10/15/09	89,214	86,001				3,213
Total		\$4,167,536	3,326,422	-	(576,752)	-	264,362

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Fund Balance - Beginning	<u>\$264,362</u>
Fund Balance - Ending	<u><u>\$264,362</u></u>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SOUTHAMPTON - SCHOOL #2 RENOVATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$1,752,980		1,752,980	1,752,980
Bond Proceeds & Transfers	2,325,342		2,325,342	2,325,342
Total Revenues	4,078,322		4,078,322	4,078,322
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	573,877		573,877	573,877
Land & Improvements	2,599,184		2,599,184	2,860,333
Equipment Purchases	67,360		67,360	67,360
Total Expenditures	3,240,421		3,240,421	3,501,570
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	837,901		837,901	576,752
Other Financing Sources/(Uses):				
Reduction in SCC Grant Award	(576,752)		(576,752)	(576,752)
Total Other Financing Sources/Uses	(576,752)		(576,752)	(576,752)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$261,149	-	261,149	-

ADDITIONAL PROJECT INFORMATION

Project Number	4930-060-02-1103
Grant Date	October 30, 2002
Grant Award	\$1,752,980
Bond Authorization Date	May 15, 2003
Bonds Authorized	\$2,629,469
Bonds Issued	\$2,629,469
Original Authorized Cost	\$4,382,449
Reduced Authorized Cost	(304,127)
Revised Authorized Cost	\$4,078,322
Percentage Increase Over Original Authorized Cost	-6.94%
Percentage Completion	79%
Original Target Completion Date	September 1, 2004
Revised Target Completion Date	1-Sep-07

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SOUTHAMPTON - SCHOOL #2 CAFETERIA RENOVATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$35,686		35,686	35,686
Bond Proceeds & Transfers	53,528		53,528	53,528
Total Revenues	89,214		89,214	89,214
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	23,126		23,126	26,339
Land & Improvements	62,875		62,875	62,875
Total Expenditures	86,001		86,001	89,214
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	3,213		3,213	
Other Financing Sources/(Uses):				
Cancel of Prior Year Accounts Payable				
Reduction in SCC Grant Award				
Total Other Financing Sources/Uses				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$3,213	-	3,213	-

ADDITIONAL PROJECT INFORMATION

Project Number	4930-060-09-1003
Grant Date	October 15, 2009
Grant Award	\$35,686
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$89,214
Additional Authorized Cost	n/a
Revised Authorized Cost	\$89,214
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	96%
Original Target Completion Date	October 15, 2010
Revised Target Completion Date	October 15, 2010

G. Proprietary Funds



Enterprise Funds



SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	SUMMER RECREATION FUND	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD</u> SERVICE	2012	2011
Current Assets:				
Cash & Cash Equivalents	\$1,207	78,610	79,817	93,653
Accounts Receivable:				
State		152	152	257
Federal		3,900	3,900	5,288
Interfund Receivable		8,107	8,107	2,394
Inventories		8,710	8,710	6,231
Total Current Assets	1,207	99,479	100,686	107,823
Noncurrent Assets:				
Equipment		74,827	74,827	56,514
Less: Accumulated Depreciation		(45,749)	(45,749)	(42,452)
Total Fixed Assets		29,078	29,078	14,062
Total Assets	1,207	128,557	129,764	121,885
LIABILITIES				
Deferred Revenue		1,773	1,773	
Total Liabilities		1,773	1,773	
NET ASSETS				
Invested in Capital Assets		29,078	29,078	14,062
Unrestricted	1,207	97,706	98,913	107,823
Total Net Assets	\$1,207	126,784	127,991	121,885

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	SUMMER RECREATION FUND	BUSINESS-TYPE ACTIVITIES - ENTERPRIZE FUNDS		2012	2011
		FOOD SERVICE			
Operating Revenues:					
Local Sources:					
Daily Sales - Reimbursable Programs		119,171		119,171	129,735
Daily Sales - Nonreimbursable Programs		61,962		61,962	61,573
Tuition & Donations					10,150
Total Operating Revenue		181,133		181,133	201,458
Operating Expenses:					
Salaries		100,444		100,444	107,221
Employee Benefits		19,057		19,057	18,936
Transportation					1,172
Management Fee		17,340		17,340	17,000
Repairs & Miscellaneous Expenses		9,535		9,535	3,414
Supplies and Materials		964		964	19,543
Cost of Sales		132,739		132,739	123,681
Depreciation		3,297		3,297	1,971
Total Operating Expenses		283,376		283,376	292,938
Operating Income/(Loss)		(102,243)		(102,243)	(91,480)
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program		3,193		3,193	3,257
Federal Sources:					
National School Lunch Program		71,086		71,086	64,739
National School Breakfast Program		8,562		8,562	6,357
Special Milk Program		253		253	267
Food Distribution Program		25,255		25,255	17,001
Total Nonoperating Revenues/ (Expenses)		108,349		108,349	91,621
Net Income/(Loss) Before Other Financing Sources/(Uses)		6,106		6,106	141
Other Financing Sources/(Uses)					
Interest Revenue - Board Contribution					885
Total Other Financing Sources/(Use)					885
Net Income/(Loss)		6,106		6,106	1,026
Total Net Assets - Beginning	\$1,207	120,678		121,885	120,859
Total Net Assets - Ending	\$1,207	126,784		127,991	121,885

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	SUMMER RECREATION FUND	BUSINESS-TYPE ACTIVITIES - ENTERPRIZE FUNDS		
		FOOD SERVICE	2012	2011
Cash Flows From Operating Activities:				
Receipts from Customers		177,193	177,193	259,739
Payments to Employees		(100,444)	(100,444)	(107,221)
Payments for Employee Benefits		(19,057)	(19,057)	(18,936)
Payments to Suppliers		(163,057)	(163,057)	(160,894)
Net Cash Provided/(Used) by Operating Activities		(105,365)	(105,365)	(27,312)
Cash Flows From Noncapital Financing Activities:				
State Sources		3,298	3,298	3,402
Federal Sources		106,544	106,544	88,653
Net Cash Provided/(Used) by Noncapital Noncapital Financing Activities		109,842	109,842	92,055
Cash Flows From Capital & Related Financing Activities:				
Purchases of Capital Assets		(18,313)	(18,313)	
Net Cash Provided/(Used) by Capital & Related Financing Activities		(18,313)	(18,313)	
Cash Flows From Investing Activities:				
Interest & Dividends				885
Net Cash Provided/(Used) by Investing Activities				885
Net Increase/(Decrease) in Cash & Cash Equivalents				
Balances - Beginning of Year	\$1,207	92,446	93,653	28,025
Balances - End of Year	\$1,207	78,610	79,817	93,653

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

Operating Income/(Loss)	\$ -	(102,243)	(102,243)	(91,480)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Depreciation & Net Amortization		3,297	3,297	1,971
Increase/(Decrease) in Deferred Revenue		1,773	1,773	
(Increase)/Decrease in Accounts Receivable		(5,713)	(5,713)	58,281
(Increase)/Decrease in Inventories		(2,479)	(2,479)	3,916
Total Adjustments		(3,122)	(3,122)	64,168
Net Cash Provided/(Used) by Operating Activities	\$ -	(105,365)	(105,365)	(27,312)

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE		AGENCY		2012	2011
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	STUDENT			
			ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$5,126	110,746	12,266	1,447	129,585	135,711
Interfund				2,201	2,201	
Total Assets	5,126	110,746	12,266	3,648	131,786	135,711
LIABILITIES						
Payroll Deductions & Withholdings				3,648	3,648	1,064
Due to Student Groups			12,266		12,266	9,573
Total Liabilities			12,266	3,648	15,914	10,637
NET ASSETS:						
Reserved	5,126				5,126	5,284
Held in Trust for Unemployment Claims & Other Purposes		110,746			110,746	119,790
Total Net Assets	\$5,126	110,746	-	-	115,872	125,074

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ADDITIONS	PRIVATE PURPOSE		2012	2011
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST		
Contributions:				
Other		11,363	11,363	13,607
Total Contributions		11,363	11,363	13,607
Investment Earnings:				
Interest	\$42	1,404	1,446	1,561
Net Investment Earnings	42	1,404	1,446	1,561
Total Additions	42	12,767	12,809	15,168
DEDUCTIONS				
Unemployment Claims		21,811	21,811	28,187
Miscellaneous	200		200	400
Total Deductions	200	21,811	22,011	28,587
Change in Net Assets	(158)	(9,044)	(9,202)	(13,419)
Net Assets - Beginning of the Year	5,284	119,790	125,074	138,493
Net Assets - End of the Year	\$5,126	110,746	115,872	125,074

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Kindergarten to Eighth Grades	\$9,573	13,788	11,095	12,266
Total All Activity	\$9,573	\$13,788	\$11,095	12,266

**PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$1,064	7,878,336	7,877,953	1,447
Interfund		7,201	5,000	2,201
Total Assets.	\$1,064	7,885,537	7,882,953	3,648
LIABILITIES				
Payroll Deductions & Withholdings	\$1,064	3,226,171	3,225,851	1,384
Net Payroll		4,659,366	4,657,102	2,264
Total Liabilities	\$1,064	7,885,537	7,882,953	3,648

I. Long-Term Debt

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2012	ISSUED	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT					
Construction of an Addition to School No. 2, Site Improvements, Access Roads & Other Improvements Acquisition of Furniture, Equipment & Fixtures for Such Facilities & Improvements	4/01/94	\$5,935,000	4/01/13	\$390,000	5.50%	\$1,155,000		390,000	765,000
			4/01/14	375,000	5.50%				
Completion of Various Improvements & Renovations at School No. 1 & School No. 2 & Installation and/or Upgrading of the Heating, Ventilation and Air-conditioning System for School No. 3, Construction of a Parking Lot & the Acquisition of Furniture, Fixtures & Equipment for Said Improvements	6/01/03	\$5,305,000	6/01/13	370,000	3.250%	3,350,000		350,000	3,000,000
			6/01/14	390,000	3.250%				
			6/01/15	410,000	3.250%				
			6/01/16	430,000	3.250%				
			6/01/17	460,000	3.250%				
			6/01/18	470,000	3.250%				
6/01/19	470,000	3.500%							
Total						\$4,505,000	-	740,000	3,765,000

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012			ACTUAL (GAAP BASIS)	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011			ACTUAL (GAAP BASIS)	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:										
Local Sources:										
Local Tax Levy	\$854,731		854,731	854,731			864,122	864,122	864,122	
State Sources:										
Debt Service Aid Type II	58,844		58,844	58,844			61,628	61,628	61,628	
Total Revenues	913,575		913,575	913,575			925,750	925,750	925,750	
Expenditures:										
Regular Debt Service:										
Interest	173,575		173,575	173,575			205,750	205,750	205,750	
Redemption of Principal	740,000		740,000	740,000			720,000	720,000	720,000	
Total Expenditures	913,575		913,575	913,575			925,750	925,750	925,750	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures										
Fund Balance, July 1										
Fund Balance, June 30	\$ -	-	-	-	-	-	-	-	-	-

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**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2012**

	OUTSTANDING BALANCE 2011	ADDITIONS	DELETIONS	OUTSTANDING BALANCE 2012
Compensated Absences	<u>\$467,737</u>	-	<u>5,231</u>	<u>462,506</u>

STATISTICAL SECTION (Unaudited)

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$13,708,862	13,394,708	13,010,129	12,796,231	12,317,284	11,819,167	11,491,775	12,400,634	12,281,952
Restricted	931,002	614,560	656,688	904,768	555,588	862,915	743,169	810,090	643,761
Unrestricted	(14,959)	60,880	(218,809)	(747,876)	(248,510)	(498,241)	(171,486)	(392,751)	(243,198)
Total Governmental Activities Net Assets	\$14,624,905	14,070,148	13,448,008	12,953,123	12,624,362	12,183,841	12,063,458	12,817,973	12,682,515
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt	\$29,078	14,062	14,062						2,862
Unrestricted	98,913	107,823	104,826	104,759	95,887	83,648	71,265	26,094	25,279
Total Business-Type Activities Net Assets	\$127,991	121,885	118,888	104,759	95,887	83,648	71,265	26,094	28,141
District-Wide:									
Invested in Capital Assets, Net of Related Debt	\$13,737,940	13,408,770	13,024,191	12,796,231	12,317,284	11,819,167	11,491,775	12,400,634	12,284,814
Restricted	931,002	614,560	656,688	904,768	555,588	862,915	743,169	810,090	643,761
Unrestricted	83,954	168,703	(113,983)	(643,117)	(152,623)	(414,593)	(100,221)	(366,657)	(217,919)
Total District Net Assets	\$14,752,896	14,192,033	13,566,896	13,057,882	12,720,249	12,267,489	12,134,723	12,844,067	12,710,656

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

FISCAL YEAR ENDING JUNE 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:									
Governmental Activities									
Instruction:									
Regular	(\$3,931,818)	(3,913,895)	(3,853,066)	(3,788,117)	(3,779,713)	(3,642,605)	(3,664,019)	(3,685,851)	(3,325,455)
Special Education	(1,258,510)	(1,153,052)	(1,380,195)	(1,360,493)	(1,222,760)	(1,154,406)	(1,029,111)	(975,719)	(941,557)
Other Special Education	(492,174)	(417,383)	(426,364)	(401,385)	(396,121)	(356,705)	(338,715)	(318,705)	(384,556)
Other Instruction	(9,258)	-	(19,007)	(4,200)	(18,575)	(17,117)	(13,902)	(3,207)	(6,560)
Support Services & Undistributed Costs:									
Instruction	(359,975)	(379,775)	(323,524)	(279,680)	(275,281)	(335,898)	(206,927)	(220,506)	(340,594)
Related Services	(270,435)	(239,514)	(247,321)	(238,735)	(209,533)	(227,412)	(237,674)	(186,450)	(216,996)
Health Services	(112,028)	(113,586)	(184,355)	(174,448)	(165,706)	(158,377)	(148,995)	(142,313)	(136,828)
Student & Instruction Related Services	(770,505)	(728,361)	(704,898)	(606,263)	(580,473)	(574,417)	(456,855)	(420,873)	(507,257)
Educational Media Services/School Library	(98,306)	(91,800)	(92,252)	(93,368)	(84,979)	(105,496)	(98,009)	(161,440)	(167,948)
School Administrative Services	(466,596)	(467,553)	(451,196)	(472,898)	(460,380)	(512,603)	(475,742)	(451,140)	(381,811)
Central Services	(237,517)	(226,022)	(246,750)	(221,872)	(215,551)	(201,800)	(194,808)	(185,067)	
Other Administrative Services	(341,504)	(323,661)	(376,483)	(358,732)	(319,375)	(328,547)	(324,997)	(298,159)	(287,094)
Plant Operations & Maintenance	(857,184)	(917,225)	(855,623)	(964,501)	(924,582)	(896,595)	(870,169)	(833,956)	(741,904)
Pupil Transportation	(495,948)	(486,321)	(561,349)	(810,575)	(849,789)	(815,385)	(776,932)	(735,743)	(782,402)
Business and Other Support Services	(18,015)	(1,590)	(93,324)	(13,359)	(13,346)	(13,989)	(1,228)	(2,764)	(184,964)
Unallocated Benefits	(2,925,218)	(2,778,083)	(2,631,428)	(2,500,493)	(2,830,475)	(2,691,432)	(2,318,992)	(2,057,489)	(1,901,111)
Interest on Long-Term Debt	(178,514)	(218,838)	(231,073)	(261,051)	(290,309)	(319,097)	(347,705)	(372,632)	(389,744)
Disposal of Fixed Assets							5,043	(9,900)	
Increase in Compensated Absences - Unallocated	5,231	(22,777)	4,523	(23,817)	3,138	48,700	(407)	(52,937)	(44,103)
Unallocated Depreciation	(600,000)	(619,543)	(591,826)	(583,742)	(489,194)	(482,798)	(461,251)	(410,497)	(270,026)
Total Governmental Activities Expenses	(13,418,274)	(13,098,979)	(13,265,511)	(13,157,729)	(13,123,004)	(12,785,979)	(11,961,395)	(11,525,348)	(11,010,910)
Business-Type Activities:									
Food Service	(283,376)	(281,916)	(266,916)	(264,458)	(263,935)	(265,549)	(257,172)	(274,257)	(268,631)
Summer Recreation		(11,022)	(10,690)	(10,671)	(10,839)	(9,494)	(9,120)		(9,643)

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total Business-Type Activities Expense	(283,376)	(292,938)	(277,606)	(275,129)	(274,774)	(275,043)	(266,292)	(274,257)	(278,274)
Total District Expenses	<u>(\$13,701,650)</u>	<u>(13,391,917)</u>	<u>(13,543,117)</u>	<u>(13,432,858)</u>	<u>(13,397,778)</u>	<u>(13,061,022)</u>	<u>(12,227,687)</u>	<u>(11,799,605)</u>	<u>(11,289,184)</u>
Program Revenues:									
Governmental Activities:									
Operating Grants & Contributions	\$376,193	400,421	545,022	476,520	489,942	403,182	444,151	424,713	410,255
Total Governmental Activities Program Revenues	<u>376,193</u>	<u>400,421</u>	<u>545,022</u>	<u>476,520</u>	<u>489,942</u>	<u>403,182</u>	<u>444,151</u>	<u>424,713</u>	<u>410,255</u>
Business-Type Activities:									
Charges for Services:									
Food Service	181,133	191,308	198,094	205,575	210,214	207,783	201,780	171,330	181,822
Summer Recreation		10,150	10,520	12,005	10,455	9,488	8,750		9,565
Operating Grants & Contributions	108,349	91,621	84,291	65,856	62,715	54,746	57,940	48,697	54,582
Total Business Type Activities Program Revenues	<u>289,482</u>	<u>293,079</u>	<u>292,905</u>	<u>283,436</u>	<u>283,384</u>	<u>272,017</u>	<u>268,470</u>	<u>220,027</u>	<u>245,969</u>
Total District Program Revenues	<u>\$665,675</u>	<u>693,500</u>	<u>837,927</u>	<u>759,956</u>	<u>773,326</u>	<u>675,199</u>	<u>712,621</u>	<u>644,740</u>	<u>656,224</u>
Net (Expense)/Revenue:									
Governmental Activities	(\$13,042,081)	(12,698,558)	(12,720,489)	(12,681,209)	(12,633,062)	(12,382,797)	(11,517,244)	(11,100,635)	(10,600,655)
Business-Type Activities	6,106	141	15,299	8,307	8,610	(3,026)	2,178	(54,230)	(32,305)
Total District-Wide Net Expense	<u>(\$13,035,975)</u>	<u>(12,698,417)</u>	<u>(12,705,190)</u>	<u>(12,672,902)</u>	<u>(12,624,452)</u>	<u>(12,385,823)</u>	<u>(11,515,066)</u>	<u>(11,154,865)</u>	<u>(10,632,960)</u>

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$9,537,076	9,557,076	9,189,002	8,871,637	8,559,266	8,086,179	7,877,000	7,608,224	7,561,814
Taxes Levied for Debt Service	854,731	864,122	861,498	854,565	859,611	838,422	876,770	705,162	698,284
Unrestricted Grants & Contributions	3,138,373	2,757,995	3,088,269	3,192,716	3,520,833	3,369,845	2,960,517	2,869,530	2,770,311
Investment Earnings	24	24	24	1,546	26,290	45,692	41,786	59,481	56,648
Reduction of SCC Grant							(1,117,240)		
Miscellaneous Income	66,634	84,399	76,581	89,506	108,482	175,666	163,896	43,696	60,205
Transfers					(899)	(12,624)	(40,000)	(50,000)	(35,000)
Total Governmental Activities	<u>13,596,838</u>	<u>13,263,616</u>	<u>13,215,374</u>	<u>13,009,970</u>	<u>13,073,583</u>	<u>12,503,180</u>	<u>10,762,729</u>	<u>11,236,093</u>	<u>11,112,262</u>
Business-Type Activities:									
Investment Earnings		885	801	565	2,730	2,785	2,993	2,183	1,027
Transfers					899	12,624	40,000	50,000	35,000
Total Business-Type Activities		<u>885</u>	<u>801</u>	<u>565</u>	<u>3,629</u>	<u>15,409</u>	<u>42,993</u>	<u>52,183</u>	<u>36,027</u>
Total District-Wide	<u>\$13,596,838</u>	<u>13,264,501</u>	<u>13,216,175</u>	<u>13,010,535</u>	<u>13,077,212</u>	<u>12,518,589</u>	<u>10,805,722</u>	<u>11,288,276</u>	<u>11,148,289</u>
Change in Net Assets:									
Governmental Activities	\$554,757	565,058	494,885	328,761	440,521	120,383	(754,515)	135,458	511,607
Business-Type Activities	6,106	1,026	16,100	8,872	12,239	12,383	45,171	(2,047)	3,722
Total District	<u>\$560,863</u>	<u>566,084</u>	<u>510,985</u>	<u>337,633</u>	<u>452,760</u>	<u>132,766</u>	<u>(709,344)</u>	<u>133,411</u>	<u>515,329</u>

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$1,302,469	1,009,751	868,551	1,014,082	574,388	805,588	646,688	418,907	279,268	126,589
Unreserved	94,822	158,478	45,596	(370,197)	201,963	30,583	413,212	513,173	471,356	332,204
Total General Fund	\$1,397,291	1,168,229	914,147	643,885	776,351	836,171	1,059,900	932,080	750,624	458,793
All Other Governmental Funds:										
Reserved					814,737		122,263	182,835	4,086,843	981,780
Unreserved, Reported in:										
Special Revenue Fund					(948)	(948)	(948)	(948)	(948)	(2,845)
Capital Projects Fund	\$264,362	264,362	261,149	261,149	94,356	1,309,648	1,209,256	2,370,010	2,798,174	7,655,187
Debt Service Fund					763	7,549	45,363	24,252	140,731	
Total All Other Governmental Funds	\$264,362	264,362	261,149	261,149	908,908	1,316,249	1,375,934	2,576,149	7,024,800	8,634,122

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Tax Levy	\$10,391,807	10,421,198	10,050,500	9,726,202	9,418,877	8,924,601	8,753,770	8,313,386	8,260,098	7,711,307
Tuition Charges	2,000	1,000	2,000	26,333	2,000	1,600	1,300	6,803	2,800	11,500
Interest Earnings	5,434	1,958	1,539	2,223	32,357	53,129	41,786	59,481	56,648	4,796
Miscellaneous	59,224	81,465	73,066	62,496	100,415	166,629	162,596	36,893	57,405	34,465
State Sources	3,125,417	2,842,984	3,163,567	3,387,793	3,736,313	3,488,599	3,110,335	2,985,829	2,888,312	6,022,923
Federal Sources	389,149	315,432	469,724	281,443	274,462	284,428	294,333	308,414	292,254	263,080
Total Revenue	13,973,031	13,664,037	13,760,396	13,486,490	13,564,424	12,918,986	12,364,120	11,710,806	11,557,517	14,048,071
Expenditures:										
Instruction:										
Regular Instruction	3,931,818	3,913,895	3,853,066	3,788,117	3,779,713	3,642,605	3,664,019	3,685,851	3,325,455	3,467,548
Special Education Instruction	1,258,510	1,153,052	1,380,195	1,360,493	1,222,760	1,154,406	1,029,111	975,719	941,557	227,330
Other Special Instruction	492,174	417,383	426,364	401,385	396,121	356,705	338,715	318,705	384,556	671,788
Other Instruction	9,258		19,007	4,200	18,575	17,117	13,902	3,207	6,560	367,213
Support Services:										
Instruction	359,975	379,775	323,524	279,680	275,281	335,898	206,927	220,506	340,594	332,707
Attendance and Health Services	119,378	120,936	184,605	174,698	165,736	172,815	149,245	142,563	151,656	127,568
Student & Instruction Related Services	1,131,896	1,052,325	1,044,221	938,116	874,955	892,887	792,288	769,988	877,373	684,406
School Administrative Services	341,504	323,661	376,483	358,732	319,375	328,547	324,997	298,159	287,094	312,804
General & Business Administration Services	466,596	467,553	451,196	472,898	460,380	512,603	475,742	451,140	381,811	623,331
Plant Operations & Maintenance	857,184	917,225	855,623	964,501	924,582	896,595	870,169	833,956	741,904	719,193
Pupil Transportation	495,948	486,321	561,349	810,575	849,789	815,385	776,932	735,743	782,402	742,074
Other Support Services	18,015	1,590	93,324	13,359	13,346	13,989	1,228	2,764	193,553	27,299
Central Services	237,517	226,022	246,750	221,872	215,551	201,800	194,808	185,067		
Employee Benefits	1,938,134	1,941,321	1,766,055	1,662,816	1,685,797	1,591,036	1,607,807	1,460,772	1,369,219	1,787,766
Nonbudget Expenditures	987,084	836,762	865,373	837,677	1,144,678	1,100,396	711,185	596,717	531,892	
Capital Outlay	185,403	300,253	105,724	1,045,633	737,866	247,061	263,675	4,334,775	1,830,513	148,893
Debt Service:										
Principal	740,000	720,000	700,000	665,000	650,000	635,000	630,000	535,000	300,000	300,000
Interest & Other Charges	173,575	205,750	237,275	266,963	296,181	324,931	353,525	377,369	393,869	238,425
Total Expenditures	13,743,969	13,463,824	13,490,134	14,266,715	14,030,686	13,239,776	12,404,275	15,928,001	12,840,008	10,778,345

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Excess (Deficiency) of Revenues Over/(Under) Expenditures	229,062	200,213	270,262	(780,225)	(466,262)	(320,790)	(40,155)	(4,217,195)	(1,282,491)	3,269,726
Other Financing Sources/(Uses):										
Proceeds from Borrowing										5,305,000
Proceeds from Capital Leases										
Cancellation of Prior Year A/R							(1,117,240)			
Reduction in SCC Grant							(125,000)			
Increase in Capital Reserve						50,000				
Transfers in	24	69,200		191,546						4,028
Transfers Out	(24)	(69,200)		(191,546)	(899)	(12,624)	(40,000)	(50,000)	(35,000)	(38,653)
Total Other Financing Sources/ (Uses)					(899)	37,376	(1,282,240)	(50,000)	(35,000)	5,270,375
Net Change in Fund Balances	\$229,062	200,213	270,262	(780,225)	(467,161)	(283,414)	(1,322,395)	(4,267,195)	(1,317,491)	8,540,101
Debt Service as a Percentage of Noncapital Expenditures	6.74%	7.03%	7.00%	7.05%	7.12%	7.39%	8.10%	7.87%	6.30%	5.07%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	MISCELLANEOUS	TOTAL
2012	\$34,530	2,000	18,191	54,721
2011	26,511	1,000	89,323	116,834
2010	32,469	2,000	27,124	61,593
2009	27,162	26,333	17,569	71,064
2008	70,862	2,000	19,898	92,760
2007	132,166	1,600	25,183	158,949
2006	102,813	1,300	18,996	123,109
2005	45,905	6,803	20,695	73,403
2004	21,428	2,800	8,931	33,159
2003	15,635	11,500	2,939	30,074

Source: District records

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

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FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2012	\$17,056,300	837,588,300	53,165,700	6,761,800	80,928,600	9,720,000	1,005,220,700	3,367,457	1,008,588,157	1.722	1,183,587,307
2011	11,861,800	645,005,000	39,767,400	6,926,200	50,416,900	6,803,600	760,780,900	2,077,816	762,858,716	2.296	1,265,858,403
2010	11,496,900	647,353,100	40,310,300	6,907,100	52,341,300	6,445,600	764,854,300	2,178,094	767,032,394	2.304	1,353,006,015
2009	11,627,600	646,829,500	40,967,900	7,017,700	50,939,100	6,445,600	763,827,400	2,109,840	765,937,240	2.233	1,382,787,323
2008	12,746,200	640,443,000	41,126,500	6,080,900	50,742,900	6,445,600	757,585,100	2,014,606	759,599,706	2.219	1,329,719,973
2007	15,006,300	627,973,000	41,478,800	6,085,400	48,950,300	6,760,600	746,254,400	2,087,130	748,341,530	2.198	1,246,249,833
2006	20,693,200	601,442,700	40,096,600	6,079,800	47,576,600	7,205,800	723,094,700	2,204,732	725,299,432	2.221	1,097,095,666
2005	20,135,300	600,156,700	37,806,300	6,231,700	45,829,500	7,205,800	717,365,300	2,744,219	720,109,519	2.221	946,343,708
2004	15,244,000	599,638,100	34,001,500	6,298,300	43,651,300	7,827,900	706,661,100	3,251,715	709,912,815	2.135	816,596,113
2003	16,335,600	593,302,600	31,795,300	9,439,400	43,988,100	7,872,200	702,733,200	3,076,409	705,809,609	1.992	692,448,303

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

Reassessment occurs when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

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

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL	REGIONAL	TOTAL	TOWNSHIP	TOWNSHIP	BURLINGTON	COUNTY	COUNTY	
	SCHOOL	SCHOOL	DIRECT	OF SOUTHAMPTON	OPEN SPACE	COUNTY	LIBRARY	OPEN SPACE	
2012	1.050	0.672	1.722	0.311	0.020	0.364	0.036	0.047	2.500
2011	1.364	0.932	2.296	0.406	0.020	0.513	0.049	0.067	3.351
2010	1.342	0.962	2.304	0.371	0.020	0.548	0.052	0.071	3.366
2009	1.297	0.936	2.233	0.365	0.020	0.560	0.054	0.072	3.304
2008	1.267	0.952	2.219	0.350	0.020	0.559	0.052	0.070	3.270
2007	1.236	0.962	2.198	0.316	0.020	0.583	0.055	0.067	3.239
2006	1.221	1.000	2.221	0.281	0.020	0.557	0.050	0.060	3.189
2005	1.196	0.939	2.135	0.250	0.020	0.503	0.044	0.053	3.005
2004	1.169	0.823	1.992	0.229	0.020	0.454	0.039	0.046	2.780
2003	1.148	0.729	1.877	0.169	0.020	0.429	0.034	0.039	2.568

Source: Municipal Tax Collector

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

TAXPAYER	2012			TAXPAYER	2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Mobile Estates of Southampton	\$9,951,300	1	0.99%	Mobile Estates of Southampton	\$4,643,300	1	0.73%
Singh Real Estate Ent. Inc.	5,611,200	2	0.56%	Diamond M. Lumber	3,975,300	2	0.63%
ARA 1869, LLC	3,764,900	3	0.37%	Verizon	3,076,409	3	0.48%
Diamond M. Lumber	3,688,100	4	0.37%	Springdale Corp	1,314,800	4	0.21%
Verizon - NJ	3,367,457	5	0.33%	RCC Properties	1,104,000	5	0.17%
Lion Self Storage	2,205,400	6	0.22%	Taxpayer #1	1,073,400	6	0.17%
RCC Properties, Inc	2,115,500	7	0.21%	First Union National Bank	1,061,600	7	0.17%
Wawa, Inc	2,008,800	8	0.20%	Taxpayer #2	877,100	8	0.14%
Taxpayer 3	1,955,800	9	0.19%	TGIW, LLC	813,900	9	0.13%
Southampton Industrial Park, LLC	1,760,000	10	0.17%	Stokes Holding Co.	760,200	10	0.12%
Total	<u>\$36,428,457</u>		<u>3.61%</u>		<u>\$18,700,009</u>		<u>2.94%</u>

Source: Municipal Tax Assessor

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

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	
2011	\$25,628,056	25,155,714	98.16%	472,342
2010	25,851,279	25,297,238	97.86%	554,041
2009	25,373,366	24,813,294	97.79%	560,072
2008	24,993,965	24,554,597	98.24%	439,368
2007	24,585,081	24,120,245	98.11%	464,836
2006	23,176,446	22,630,674	97.65%	545,772
2005	21,717,658	21,362,310	98.36%	355,348
2004	19,889,253	19,540,877	98.25%	348,376
2003	18,277,567	17,825,789	97.53%	451,778
2002	16,318,730	15,987,449	97.97%	331,281

Source: Municipal Audit Reports

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	ACTIVITIES GENERAL OBLIGATION BONDS		
2012	\$3,765,000	N/A	360
2011	4,305,000	N/A	431
2010	5,225,000	1.05%	481
2009	5,925,000	1.12%	546
2008	6,590,000	1.13%	634
2007	7,240,000	1.47%	657
2006	7,875,000	1.64%	723
2005	8,505,000	1.93%	781
2004	9,040,000	2.14%	828
2003	9,340,000	2.32%	859

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2012	\$3,765,000		3,765,000	0.49%	359.81
2011	4,505,000		4,505,000	0.59%	430.52
2010	5,225,000		5,225,000	0.68%	480.90
2009	5,925,000		5,925,000	0.78%	546.39
2008	6,590,000		6,590,000	0.87%	634.39
2007	7,240,000		7,240,000	0.97%	656.51
2006	7,875,000		7,875,000	1.09%	722.87
2005	8,505,000		8,505,000	1.18%	780.70
2004	9,040,000		9,040,000	1.27%	818.14
2003	9,340,000		9,340,000	1.32%	858.61

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Southampton Township	\$10,063,524	100.000%	\$10,063,524
Lenape Regional School District	88,719,000	6.777%	6,012,487
Local School District	3,765,000	100.000%	3,765,000
Burlington County	365,784,648	2.600%	9,510,401
Subtotal, Overlapping Debt			<u>29,351,411</u>
Total Direct & Overlapping Debt			<u><u>\$29,351,411</u></u>

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

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

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$38,024,517	39,485,844	39,289,758	36,730,655	34,318,132	31,094,120	28,161,454	24,094,020	20,932,188	18,745,545
Total Net Debt Applicable to Limit	<u>3,765,000</u>	<u>4,505,000</u>	<u>5,225,000</u>	<u>5,925,000</u>	<u>6,590,000</u>	<u>7,240,000</u>	<u>7,875,000</u>	<u>8,505,000</u>	<u>9,040,000</u>	<u>9,340,000</u>
Legal Debt Margin	<u>\$34,259,517</u>	<u>34,980,844</u>	<u>34,064,758</u>	<u>30,805,655</u>	<u>27,728,132</u>	<u>23,854,120</u>	<u>20,286,454</u>	<u>15,589,020</u>	<u>11,892,188</u>	<u>9,405,545</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.90%	11.41%	13.30%	16.13%	19.20%	23.28%	27.96%	35.30%	43.19%	49.83%

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis
	2011 \$1,183,587,307
	2010 1,265,858,403
	2009 <u>1,353,006,015</u>
	<u>\$3,802,451,725</u>
Average Equalized Valuation of Taxable Property	<u>\$1,267,483,908.33</u>
Debt Limit (3 % of Average Equalization Value)	\$38,024,517
Net Bonded School Debt	<u>3,765,000</u>
Legal Debt Margin	<u>\$34,259,517</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME(b)	BURLINGTON COUNTY PER CAPITA		UNEMPLOYMENT RATE (d)
			PERSONAL INCOME (c)		
2011	10,464	N/A	N/A		11.50%
2010	* 10,464	495,899,424	47,391		11.50%
2009	10,865	505,179,040	46,496		11.10%
2008	10,844	516,966,012	47,673		6.50%
2007	10,855	493,034,100	45,420		4.80%
2006	11,028	478,229,220	43,365		5.30%
2005	10,894	443,233,284	40,686		5.00%
2004	10,916	431,356,656	39,516		4.50%
2003	10,878	412,907,124	37,958		5.00%
2002	10,706	398,584,380	37,230		5.00%

Source:

*2010 Census

^a Population information provided by the NJ Dept of Labor and Workforce Development

b Column (a) x Column (c)

c Per Capita Bureau of Economic Analysis: Regional Economic Information System

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

	2012			2003		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Southampton Board of Education	118	1	78.67%	134	1	78.82%
Southampton Township	32	2	21.33%	36	2	21.18%
	<u>150</u>		<u>100.00%</u>	<u>170</u>		<u>100.00%</u>

Source: Township and Board of Education Officials

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

FUNCTION/PROGRAM	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular	55	52	54	57	56	56	57	59	63	64
Special Education	23	25	25	25	31	28	27	26	26	27
Other Special Education	3	3	3	3	3	3	2	2	2	2
Support Services:										
Student & Instruction Related										
Services	16	13	13	15	13	13	11	11	11	11
School Administrative Services	7	7	7	7	7	7	8	8	8	8
General & Business Administrative										
Services	5	5	5	5	5	5	5	5	5	5
Plant Operations & Maintenance	9	9	9	9	10	10	10	10	10	10
Food Service								7	7	7
Total	118	114	116	121	125	122	120	128	132	134

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2012	790	\$12,644,991	16,006	0.0067%	78	10.13	783.9	751.9	-0.1310%	95.18%
2011	792	12,241,557	15,457	0.0065%	80	9.90	793.8	757.7	-0.1304%	95.67%
2010	805	12,447,135	15,462	0.0065%	83	9.70	797.7	762.4	-0.1308%	94.71%
2009	797	12,289,119	15,419	0.0065%	83	9.60	797.1	763.4	-0.1294%	95.78%
2008	802	12,346,639	15,395	0.0069%	83	9.60	802.7	768.1	-0.1361%	95.77%
2007	804	12,032,784	14,966	0.0079%	78	10.29	804.8	751.3	-0.1264%	93.45%
2006	811	11,157,075	13,757	0.0095%	78	11.70	811.2	771.1	-0.1270%	95.08%
2005	836	10,084,140	12,062	0.0094%	85	10.10	836.3	779.2	-0.1224%	93.21%
2004	862	9,783,734	11,350	0.0087%	88	10.00	862.7	797.8	-0.1188%	92.55%
2003	885	10,091,027	11,402	0.0102%	87	10.00	885.5	819.5	-0.1112%	92.60%

Sources: District records

Note: Enrollment based on annual October district count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Elementary Schools:										
School #1 (1921, 1922, 1952, 1959)										
Square Feet	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109
Capacity (Students)	223	223	223	223	223	223	223	223	223	223
Enrollment		249	238	223	241	244	249			
School #2 (1962, 1969)										
Square Feet	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674
Capacity (Students)	279	279	279	279	279	279	279	279	279	279
Enrollment (a)		251	275	220	284	274	279			
Middle School:										
School # 3 (1994)										
Square Feet	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280
Capacity (Students)	417	417	417	417	417	417	417	417	417	417
Enrollment		292	281	216	271	281	286			
Other Buildings:										
Administration Building (1910)										
Square Feet	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394
Storage Building - Garage (1930)										
Square Feet	900	900	900	900	900	900	900	900	900	900
Storage Building - Barn (1930)										
Square Feet	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520
Storage Building - Stable (1930)										
Square Feet	396	396	396	396	396	396	396	396	396	396
Storage Building - Bus Garage (1938)										
Square Feet	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516
Number of Schools at June 30, 2012:										
Elementary = 2										
Middle School = 1										
Senior High School = 0										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October district count.

Capacity is from five year Long Range Facility Plan October 2005

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

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

*	SCHOOL #1	SCHOOL#2	SCHOOL #3	DISTRICT TOTAL
2012	\$18,917	15,275	19,175	53,367
2011	23,958	42,511	34,859	101,328
2010	13,508	14,136	13,191	40,835
2009	26,022	27,686	28,761	82,469
2008	16,479	30,977	41,330	88,786
2007	25,312	33,751	27,042	86,105
2006	25,662	23,895	27,785	77,342
2005	26,383	8,003	9,908	44,294
2004	20,636	14,608	30,453	65,697
2003	36,105	23,536	27,440	87,081
Total School Facilities	\$232,982	234,378	259,944	727,304

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

Source: District records

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2012**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	\$250,000	500
General Liability / Auto Liability	250,000	
Educators Legal Liability	100,000	
Workers Compensation	250,000	
Crime	250,000	500
School Pool For Excess Liability Limits		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	150,000,000	
Crime	500,000	
Workers Compensation	Statutory	
Employers Liability	10,000,000	
General Liability / Auto Liability	10,000,000	
Educators' Legal Liability	10,000,000	
Hartford Steam Boiler Insurance Company:		
Boiler and Machinery	125,000,000	1,000
AIG Environmental		
Pollution Liability	3,000,000	25,000
Western Surety:		
Surety - Treasurer of Monies	215,000	
Surety - Board Secretary	120,000	

Source: District Records

SINGLE AUDIT SECTION

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
Southampton Township School District
County of Burlington
Southampton, New Jersey 08088

We have audited the financial statements of the Board of Education of the Southampton Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 14, 2012. 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

Management of the Southampton Township Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Southampton Township Board of Education'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings & Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 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. We

consider the deficiency described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No: 2012-01 to be a material weakness.

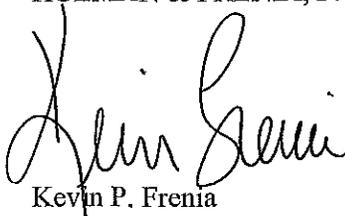
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southampton Township Board of Education'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 one instance 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, that we have reported to the Southampton Township Board of Education in a separate *Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* as Finding No: 2012-01 dated September 14, 2012.

This report is intended solely for the information of the audit committee, management, the Southampton Township Board of Education, 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.



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

Medford, New Jersey
September 14, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON
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
Southampton Township School District
County of Burlington
Southampton, New Jersey 08088

Compliance

We have audited the compliance of Southampton Township Board of Education, in the County of Burlington, 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 could have a direct and material effect to each of its major state programs for the fiscal year ended June 30, 2012. The Southampton Township Board of Education's major 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 state programs is the responsibility of Southampton Township Board of Education's management. Our responsibility is to express an opinion on Southampton Township Board of Education'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 state program occurred. An audit includes examining, on a test basis, evidence about Board of Education of the Southampton Township 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 Southampton Township School District's compliance with those requirements.

In our opinion, the Board of Education of the Southampton Township School District, County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed one instance of noncompliance with these requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the Schedule of Findings and Questioned Costs as Finding No: 2012-01.

Internal Control Over Compliance

The management of the Board of Education of the Southampton Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Southampton Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major 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 Southampton Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis.

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 identified a deficiency in internal control over compliance that we consider to be material weaknesses, as defined above. Southampton Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Southampton Board of Education's response and, accordingly, we express no opinion on it.

This report is intended for the information of the management of the Board of Education of the Southampton Township 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.



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

Medford, New Jersey
September 14, 2012

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		(ACCOUNTS RECEIVABLE)		MEMO		
				AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	AT JUNE 30, 2012	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:										
Equalization Aid	12-495-034-5120-078	\$295,796	7/1/11-6/30/12		295,796	(295,796)		(23,936)	295,796	
Categorical Special Education Aid	12-495-034-5120-083	425,829	7/1/11-6/30/12		425,829	(425,829)		(34,458)	425,829	
Adjustment Aid	12-495-034-5120-085	936,454	7/1/11-6/30/12		936,454	(936,454)		(75,777)	936,454	
Categorical Security Aid	12-495-034-5120-084	69,369	7/1/11-6/30/12		69,369	(69,369)		(5,613)	69,369	
Categorical Transportation Aid	12-495-034-5120-014	369,941	7/1/11-6/30/12		369,941	(369,941)		(29,935)	369,941	
Non Public Transportation Costs	12-495-034-5120-014	4,757	7/1/11-6/30/12			(4,757)	(4,757)		4,757	
Non Public Transportation Costs	11-495-034-5120-014	5,767	7/1/10-6/30/11	(\$5,767)	5,767					
TPAF Wage Freeze Grant	11-495-034-5095-002	8,034	7/1/10-6/30/11	(4,017)	4,017					
On-Behalf TPAF Pension Contributions	11-495-034-5095-001	560,743	7/1/10-6/30/11		560,743	(560,743)			560,743	
Reimbursed TPAF Social Security	11-495-034-5095-002	425,553	7/1/10-6/30/11	(21,529)	21,529					
Reimbursed TPAF Social Security	12-495-034-5095-002	426,341	7/1/11-6/30/12		424,109	(426,341)	(2,232)		426,341	
Total General Fund Assistance					(31,313)	3,113,554	(3,089,230)	(6,989)	(169,719)	3,089,230
Capital Projects Fund:										
SDA Grant	11-4930-060-09-1003	\$91,482	Indefinite	(35,686)			(35,686)			
SDA Grant	11-4930-070-09-1004	\$23,580	Indefinite	(23,580)			(23,580)			
SDA Grant	11-4930-050-09-1002	\$33,502	Indefinite	(33,502)			(33,502)			
EDA - Title 15 Grant	04-4930-060-02-1102-04	3,370,617	Indefinite	(469,115)			(469,115)			
Total Capital Projects Fund					(561,883)		(561,883)			
Debt Service Fund:										
Debt Service Type II	12-495-034-5120-125	58,844	7/1/11-6/30/12		58,844	(58,844)			58,844	
Total Debt Service Fund Assistance					58,844	(58,844)			58,844	
Enterprise Fund:										
National School Lunch Program	11-100-010-3360-067	4,034	7/1/10-6/30/11	(258)	258					
National School Lunch Program	12-100-010-3360-068	3,193	7/1/11-6/30/12		3,041	(3,193)	(152)			
Total Enterprise Fund					(258)	3,299	(3,193)	(152)		
Total State Assistance					(\$593,454)	3,175,697	(3,151,267)	(569,024)	(169,719)	3,148,074

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2012**

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$22,657) for the general fund and \$ -0- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2012**

3. Relationship to Basic Financial Statements (continued):

	State
General Fund	\$ 3,066,573
Debt Service Fund	58,844
Food Service Fund	<u>3,193</u>
Total Financial Assistance	<u>\$3,128,610</u>

4. Relationship to Federal & State Financial Reports

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

5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. 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, 2012.

Note 6. Federal and State Loans Outstanding

The Southampton Township Board of Education had no loan balances outstanding at June 30, 2012.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

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?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-085	Adjustment Aid
12-495-034-5120-014	Categorical Transportation Aid
12-495-034-5095-002	Re-Imb.. TPAF Social Security

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section II – Financial Statement Findings

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

Finding 2012-01:

Criteria or Specific Requirement:

That client records be updated periodically for changes in capital assets, including calculating annual depreciation.

Condition:

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

Context:

The School District is not adequately maintaining a capital asset ledger that includes additions, deletions and depreciation of capital assets.

Effect:

The capital asset accounting presented in the annual audit does not reflect all additions, deletions and depreciation of district capital assets accurately.

Cause:

The School District has not maintained an accounting of changes in capital assets.

Recommendation:

The School District should maintain an accounting of capital assets that includes additions, deletions and depreciation that is updated annually.

Views of Responsible Officials and Planned Corrective Action:

The District is taking the necessary steps to monitor and record changes in capital assets.

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

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

**SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2012**

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