

**ATLANTIC COUNTY SPECIAL SERVICES  
SCHOOL DISTRICT**

Mays Landing, New Jersey  
County of Atlantic

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**MAYS LANDING, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Prepared by**

**Business Office –Lisa Mooney, Business Administrator/Board Secretary**



## OUTLINE OF CAFR - GASB #34

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**INTRODUCTORY SECTION**

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# ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Lizabeth R. Buoro  
Superintendent  
(609) 625-5796  
Fax (609) 625-8124  
October 23, 2013

Lisa Mooney  
School Business Administrator  
(609) 625-5687  
Fax (609) 625-0496

Honorable President and  
Members of the Board of Education  
Atlantic County Special Services School District  
Mays Landing, New Jersey

Dear Board Members and Constituents  
of Atlantic County Special Services School District:

The comprehensive annual financial report of the Atlantic County Special Services School District (District) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position 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, required supplemental information, and other supplementary information, 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, OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and State Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the 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:** The District is a component unit of the County of Atlantic within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic, a component unit of the County of Atlantic, constitutes the District's reporting entity.

The mission of the Atlantic County Special Services School District is to provide innovative educational programs and related services for students with special needs ages 3 to 21 who meet eligibility requirements. This is accomplished by offering specialized, individualized instruction

aligned with the New Jersey Core Curriculum Content and Common Core State Standards to meet academic, vocational, functional, physical, and emotional student needs. Essential programs are developed in collaboration with educational and human services agencies by planning, coordinating, assisting and/or implementing countywide programs as appropriate.

In addition to a wide range of on-site and off-campus programs for enrolled students, the Board of Education offers itinerant shared services including occupational therapy, physical therapy, speech/language therapy, counseling, behavioral consultation, nursing services, homebound instruction, and child study team evaluation/services to students in Local Educational Agencies. An educational component and nursing services are provided to youths housed at the Harborfields juvenile detention facility, and the district is sub-contracted by the County to provide county-wide Special Child Health Services case management services.

**2) ECONOMIC CONDITION AND OUTLOOK:** The economic environment in New Jersey continues to have a major impact on the state's educational system, given budget cuts made in previous school years and additional budget restrictions currently in place. Although our district does not directly receive state aid or stimulus funds, the cuts to sending districts have had an impact on our budget planning, particularly in light of decreased student enrollment. We will continue to closely monitor actual student enrollment numbers, modify spending as needed, and gather data in order to effectively and realistically project tuition revenues for the 2014/2015 budget.

**3) MAJOR INITIATIVES:** A key district-wide initiative in place this year is the full implementation of the TeachNJ Act and Achieve NJ teacher evaluation reform mandates, including the development and application of Student Growth Objectives (SGOs), and the continued use of the Danielson Framework for Teaching and the Multidimensional Principal Performance Rubric (MPPR). Ongoing costs for training, materials, and computer-based evaluation programs will be built into the 2014/2015 and subsequent year budgets.

In response to identified needs from our sending districts, and the ongoing state Department of Education initiative to share services, we will continue to offer itinerant/shared services to Local Educational Agencies. A new Behavior Disabilities program for High School aged students has been added this year, as the extension of an existing middle school class.

Comprehensive professional learning activities, including Non-Violent Crisis Intervention (NVC) training and the Olweus bullying prevention program, serve to provide consistent frameworks within which to address significant behavior issues and facilitate the development of pro-social skills. Policies, procedures and investigations are implemented as required to comply with state Harassment, Intimidation and Bullying (HIB) mandates.

Our School to Work Career Exploration program continues to offer students with disabilities in Atlantic County the opportunity to receive real-life, meaningful work experiences in their home communities. This year we have expanded our Career Exploration program to include Student Internships. Our Community-based Partners include the Harrah's family of casinos, Atlantic City Regional Medical Center (City and Mainland divisions), the Richard Stockton College of

New Jersey, Shore Memorial Hospital, Meadowview Nursing Home, Atlantic/Cape Community College and the Community Food Bank of New Jersey.

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

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

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

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

**7) DEBT ADMINISTRATION:** In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.

**8) 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 1(F) and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(H), Notes to the Financial Statements.

**9) 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, and fidelity bonds.

**10) OTHER INFORMATION:**

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

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

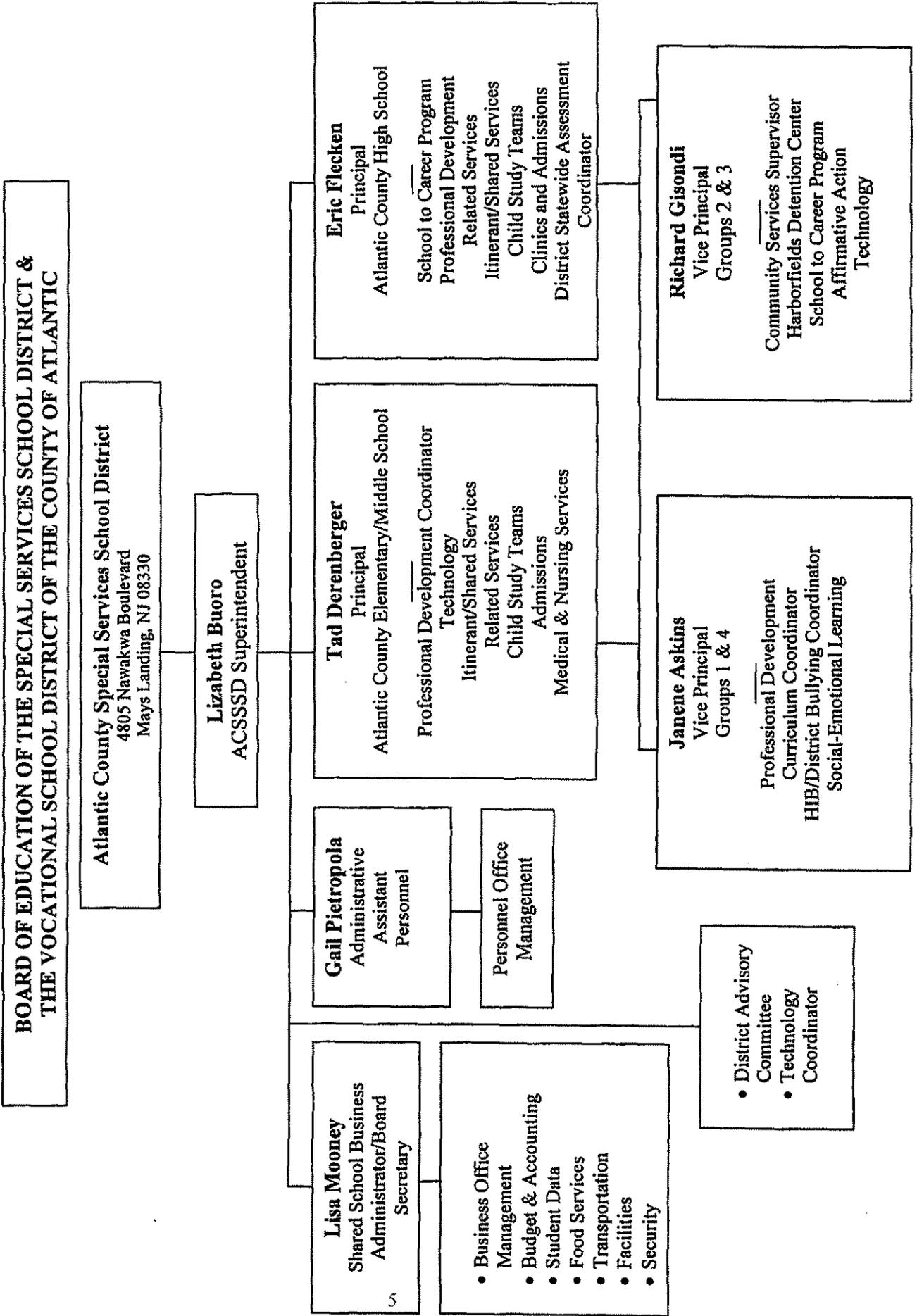


Lizabeth Buoro  
Superintendent



Lisa Mooney, CPA  
Business Administrator/  
Board Secretary

**ORGANIZATIONAL CHART 2012/2013**  
 Effective September 1, 2012



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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**4805 Nawakwa Boulevard**  
**Mays Landing, New Jersey 08330**

**ROSTER OF OFFICIALS**

**JUNE 30, 2013**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Philip Munafo, President	2014
Augustus Harmon, Vice President	2013
Marilyn Gallagher	2013
Dr. Norman Hirschfeld	2015
Mark W. Ludwick	2014
Joseph F. Zondlo	2015
Ann "Sally" Williams	Ex-Officio
Thomas J. Dowd, Executive County Superintendent	Ex-Officio

**OTHER OFFICIALS**

Lizabeth Buoro, Superintendent

Lisa Mooney, CPA, Business Administrator/Board Secretary

Valerie Ritson, Assistant Board Secretary

Anne M. Hyatt, Treasurer

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

4805 Nawakwa Boulevard  
Mays Landing, New Jersey 08330

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Wayne Neville  
430 Commerce Lane, Suite C  
West Berlin, New Jersey 08091

**AUDIT FIRM**

Robert W. Allison, CPA  
Holman Frenia Allison, P. C.  
912 Highway 33, Suite 2  
Freehold, New Jersey 07728

**ATTORNEYS**

Keith A. Davis  
Nehmad, Perillo & Davis  
4030 Ocean Heights Avenue  
Egg Harbor Township, New Jersey 08234

John Hegarty  
Jasinski Firm  
8025 Black Horse Pike, Suite 470  
West Atlantic City, New Jersey 08232

**OFFICIAL DEPOSITORY**

Ocean City Home Bank  
Mays Landing, New Jersey 08330

State of New Jersey Cash Management Fund  
Columbus, Ohio 43218

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
4805 Nawakwa Boulevard  
Mays Landing, New Jersey 08330

**CONSULTANTS AND ADVISORS (continued)**

**INSURANCE AGENT**

New Jersey School Board Association Insurance Group  
450 Veterans Drive  
Burlington, New Jersey 08016

Jeffrey Dunn  
Glenn Insurance  
500 East Absecon Boulevard  
Absecon, New Jersey 08201

David Miller  
CJ Adams Company  
332 Tilton Road  
Northfield, New Jersey 08225

**SCHOOL PHYSICIANS**

Harborview-Kids First  
505 Bay Avenue  
Somers Point, New Jersey 08244

David Horn, M.D.  
Jennifer Winnell, M.D.  
Childrens Surgical Association of New Jersey  
Richard D. Wood Center, 2nd Floor  
34th Street & Civic Center Boulevard  
Philadelphia, Pennsylvania 19104

Barry D. Glasser, M.D.  
Brigantine Towne Center  
4248 Harbor Beach Boulevard  
Brigantine, New Jersey 08203

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**FINANCIAL SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333  
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928 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090  
[www.hfacpas.com](http://www.hfacpas.com)

## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Education  
Atlantic County Special Services School District  
County of Atlantic  
Mays Landing, New Jersey 08330

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Atlantic County Special Services School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Atlantic County Special Services School District, County of Atlantic, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 19 through 25 and 77 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Special Services School District's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, and other supplementary information such as the combining and individual fund financial statements 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 is 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 and the accompanying schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the accompanying schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, 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 or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013 on our consideration of the Board of Education of the Atlantic County Special Services School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Atlantic County Special Services School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal line extending to the left.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant  
No. 897

Freehold, New Jersey  
October 23, 2013

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Atlantic County Special Services School District's (a component unit of the County of Atlantic) ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$166,032 due to an excess of expenditures over revenues.
- The State of New Jersey reimbursed the District \$618,829 during the fiscal year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$1,135,043 for TPAF pension and post-retirement medical contributions on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- During the fiscal year ended June 30, 2013, the District's governmental activities expenditures were \$183,101 more than total revenues. During the prior fiscal year, expenditures exceeded revenues by approximately \$1,500,000.
- In the District's business-type activities, net position increased \$17,069 as a result of an excess of revenues over expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - *Governmental fund* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the food service area.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Atlantic County Special Services School District's  
Government-Wide and Fund Financial Statements  
(Figure A-1)**

	Government- Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District except fiduciary funds.	The activities of the District that are not proprietary or fiduciary, such as food service and student activities.	Activities the District operates similar to private businesses such as food service and transportation enterprise.	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required Financial Statements	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenses and Changes in Fund Balance	Statement of Net Position  Statement of Activities  Statement of Cash Flows	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of Asset and Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that will come due during the current year or soon thereafter; no capital assets or debt are included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during the current year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the current year, regardless of when cash is received or paid.	All revenues and expenses during the current year, regardless of when cash is received or paid.

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, vocational education, administration, and plant operations. Tuition and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service, transportation enterprise fund, and Teachers Aide Enterprise fund are included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net position.** The District's governmental activities net position decreased between fiscal years 2013 and 2012 as a result of an excess of expenditures over revenues. The business-type activities net position increased due to the excess of revenues over expenses.

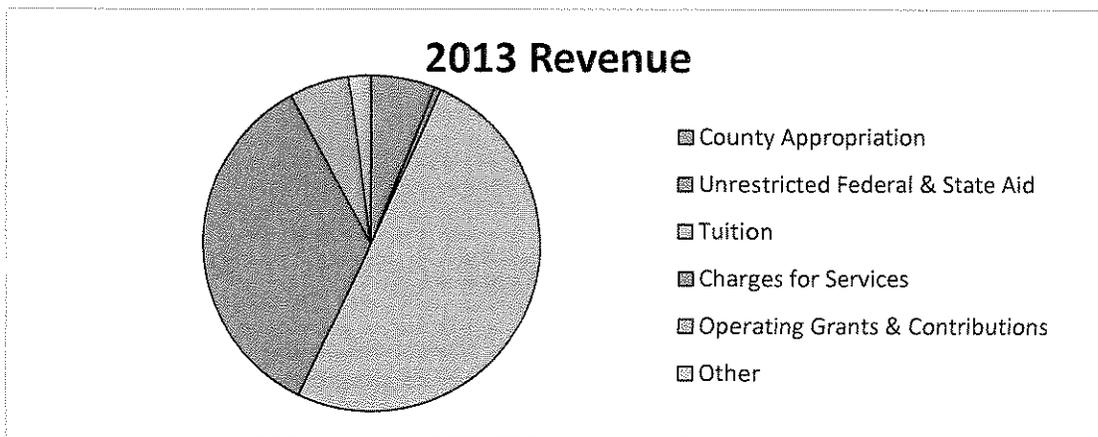
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:				
Current and other assets	\$ 3,878,311	\$ 4,374,590	\$ 2,808,415	\$ 2,540,428
Capital assets	22,911,095	22,859,252	2,119,606	1,803,526
Total assets	<u>26,789,406</u>	<u>27,233,842</u>	<u>4,928,021</u>	<u>4,343,954</u>
Liabilities:				
Long-term liabilities	529,143	502,440	576,479	560,377
Other liabilities	<u>112,343</u>	<u>400,381</u>	<u>593,632</u>	<u>42,736</u>
Total liabilities	641,486	902,821	1,170,111	603,113
Net position:				
Invested in capital assets	22,911,095	22,859,252	2,119,606	1,436,445
Restricted	431,660	351,949	-	-
Unrestricted	<u>2,805,165</u>	<u>3,119,820</u>	<u>1,638,304</u>	<u>2,304,396</u>
Total net assets	<u>\$ 26,147,920</u>	<u>\$ 26,331,021</u>	<u>\$ 3,757,910</u>	<u>\$ 3,740,841</u>

**Changes in net position.** The total revenue of the District decreased \$752,003 due to a decrease in Federal & State Aid.

Approximately 50% of the District's revenue comes from tuition contracts with various districts within Atlantic County and the surrounding counties. The County of Atlantic levies property taxes on properties located in the County. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

### 2013 Revenue

	<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
County Appropriation	\$ 2,039,796	6.03%	\$ 1,999,800	6.22%
Unrestricted Federal & State Aid	215,658	0.64%	1,623,163	5.05%
Tuition	17,045,538	50.39%	16,440,380	51.11%
Charges for Services	11,833,342	34.98%	11,732,313	36.47%
Operating Grants & Contributions	1,959,376	5.79%	255,168	0.79%
Other	<u>732,578</u>	<u>2.17%</u>	<u>117,072</u>	<u>0.36%</u>
	<u>\$ 33,826,288</u>	<u>100.00%</u>	<u>\$ 32,167,896</u>	<u>100.00%</u>



### Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2013 and 2012 fiscal years.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenue</b>						
Program Revenue:						
Charges for Services	\$ 17,175,056	\$ 16,440,380	\$ 11,833,342	\$ 11,732,313	\$ 29,008,398	\$ 28,172,693
Federal Grants	-	8,798	192,863	205,824	192,863	214,622
State & Local Grants	17,019	37,666	2,641	2,880	19,660	40,546
General Revenues:						
County Appropriations	2,039,796	1,999,800	-	-	2,039,796	1,999,800
Federal & State Aid	1,962,511	1,623,163	-	-	1,962,511	1,623,163
Other	303,628	116,293	299,432	779	603,060	117,072
<b>Total Revenue</b>	<b>21,498,010</b>	<b>20,226,100</b>	<b>12,328,278</b>	<b>11,941,796</b>	<b>33,826,288</b>	<b>32,167,896</b>
<b>Expenses</b>						
Instruction:						
Special Instruction	7,601,339	7,635,798	-	-	7,601,339	7,635,798
Other Instruction	769,477	783,403	-	-	769,477	783,403
Support Services:						
Student & Instruction						
Related Services	3,011,649	2,866,856	-	-	3,011,649	2,866,856
School Administration						
Services	604,907	611,940	-	-	604,907	611,940
General & Business						
Administration Services	1,089,890	1,110,782	-	-	1,089,890	1,110,782
Plant Operations &						
Maintenance	1,654,930	1,584,176	-	-	1,654,930	1,584,176
Pupil Transportation	38,272	30,253	-	-	38,272	30,253
Unallocated Benefits	6,708,050	5,987,339	-	-	6,708,050	5,987,339
Capital Outlay	88,611	255,189	-	-	88,611	255,189
Business-Type Activities	-	-	12,450,335	12,083,540	12,450,335	12,083,540
<b>Total Expenses</b>	<b>21,567,125</b>	<b>20,865,736</b>	<b>12,450,335</b>	<b>12,083,540</b>	<b>34,017,460</b>	<b>32,949,276</b>
Deficit Before Transfers	(69,115)	(639,636)	(122,057)	(141,744)	(191,172)	(781,380)
Transfers	(139,126)	(215,544)	139,126	215,544	-	-
<b>Change In Net Position</b>	<b>\$ (208,241)</b>	<b>\$ (855,180)</b>	<b>\$ 17,069</b>	<b>\$ 73,800</b>	<b>\$ (191,172)</b>	<b>\$ (781,380)</b>

## **Business-Type Activities**

Revenues of the District's business-type activities increased approximately 1% when compared to the previous fiscal year while expenditures increased 3% over the past fiscal year.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As of the year end, the governmental funds reported a combined fund balance of \$3,765,968 which is \$208,241 lower than the beginning of the year. The most significant changes are an increase in the tuition charges and an increase in the unallocated benefits.

### **General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-Behalf TPAF Pension and Post-Retirement Medical Contributions, which are not budgeted, the District's budget revenue was less than actual revenues by \$34,129. This is a result of a smaller student population than anticipated. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-Behalf TPAF Pension and Post-Retirement Medical Contributions, actual expenditures were below the budgeted appropriations by \$812,361. The most significant variances occurred in the area of salaries and equipment.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2013, the District had invested \$25 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net increase (including additions and deductions) of \$367,923 or 1.5%, over last year. Refer to Note 6 to the Financial Statements for more detailed information.

### **Long-Term Debt**

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. The District is party to a capital lease for the purchase of school buses. Refer to the Note 8 to the Financial Statements for more detailed information.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District budget for the 2013 fiscal year includes very little expansion for equipment acquisitions.

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

This financial report is designed to present users (residents, sending districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 4805 Nawakwa Boulevard, Mays Landing, New Jersey 08330.

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**BASIC FINANCIAL STATEMENTS**

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A. District-Wide Financial Statements

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 3,253,933	\$ 1,839,934	\$ 5,093,867	\$ 5,747,950
Accounts Receivable, Net	83,074	951,481	1,034,555	1,151,415
Due From Other Funds	541,304	-	541,304	-
Inventory	-	17,000	17,000	15,563
Prepaid Expenses	-	-	-	90
Capital Assets Not Being Depreciated:				
Land	636,272	73,500	709,772	709,772
Construction In Progress	3,957	-	3,957	3,957
Capital Assets, Net of Accumulated Depreciation	22,270,866	2,046,106	24,316,972	23,949,049
<b>Total Assets</b>	<b>26,789,406</b>	<b>4,928,021</b>	<b>31,717,427</b>	<b>31,577,796</b>
<b>LIABILITIES</b>				
Accounts Payable	77,200	52,328	129,528	434,061
Due to Other Funds	-	541,304	541,304	-
Unearned Revenues	35,143	-	35,143	9,056
Noncurrent Liabilities:				
Due Within One Year	-	258,271	258,271	264,891
Due Beyond One Year	529,143	318,208	847,351	797,926
<b>Total Liabilities</b>	<b>641,486</b>	<b>1,170,111</b>	<b>1,811,597</b>	<b>1,505,934</b>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	22,911,095	2,119,606	25,030,701	24,295,697
Restricted For:				
Other Purposes	431,660	-	431,660	351,949
Unrestricted	2,805,165	1,638,304	4,443,469	5,424,216
<b>Total Net Position</b>	<b>\$ 26,147,920</b>	<b>\$ 3,757,910</b>	<b>\$ 29,905,830</b>	<b>\$ 30,071,862</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
 (With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION					TOTALS	
	PROGRAM REVENUES		BUSINESS-TYPE ACTIVITIES		(MEMORANDUM ONLY)		
	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012	
Governmental Activities:							
Instruction:							
Special Education	\$ 7,601,339	\$ 17,045,538	\$ 10,000	\$ 9,454,199	\$ 9,454,199	\$ 5,267,303	
Other Instruction	769,477	-	-	(769,477)	(769,477)	(1,151,081)	
Support Services:							
Student & Instruction Related Services	3,011,649	-	-	(3,011,649)	(3,011,649)	(4,212,370)	
School Administrative Services	604,907	-	-	(604,907)	(604,907)	(899,144)	
Other Administrative Services	1,089,890	-	-	(1,089,890)	(1,089,890)	(1,632,110)	
Plant Operations and Maintenance	775,391	-	-	(775,391)	(775,391)	(2,327,684)	
Pupil Transportation	38,272	-	-	(38,272)	(38,272)	(44,453)	
Unallocated Benefits	6,734,753	-	1,753,872	(4,980,881)	(4,980,881)	-	
Capital Outlay	-	-	-	-	-	(32,246)	
Unallocated Depreciation	916,307	-	-	(916,307)	(916,307)	-	
<b>Total Governmental Activities</b>	<b>21,541,985</b>	<b>17,045,538</b>	<b>1,763,872</b>	<b>(2,732,575)</b>	<b>(2,732,575)</b>	<b>(5,031,785)</b>	
Business-Type Activities:							
Food Service	681,858	273,208	195,504	-	(213,146)	(258,435)	
Transportation	7,725,596	7,988,914	-	-	263,318	803,151	
Instruction	4,042,881	3,571,220	-	-	(471,661)	(687,239)	
<b>Total Business-Type Activities</b>	<b>12,450,335</b>	<b>11,833,342</b>	<b>195,504</b>	<b>-</b>	<b>(421,489)</b>	<b>(142,523)</b>	
<b>Total Primary Government</b>	<b>\$ 33,992,320</b>	<b>\$ 28,878,880</b>	<b>\$ 1,959,376</b>	<b>(2,732,575)</b>	<b>(421,489)</b>	<b>(3,154,064)</b>	<b>(5,174,308)</b>
General Revenues:							
Taxes:							
County Appropriations				2,039,796	-	2,039,796	1,999,800
Federal & State Aid Unrestricted				215,658	-	215,658	1,623,163
Non Resident Fees				129,518	-	129,518	769
Miscellaneous Income				302,825	-	302,825	107,785
Transfers				(139,126)	139,126	-	-
Cancellation of Prior Year Payables				803	2,608	3,411	8,518
Adjustment of Capital Assets				-	296,824	296,824	-
<b>Total General Revenues, Special Items, Extraordinary Items &amp; Transfer</b>				<b>2,549,474</b>	<b>438,558</b>	<b>2,988,032</b>	<b>3,740,035</b>
Change in Net Position				(183,101)	17,069	(166,032)	(1,434,273)
Beginning Net Position				26,331,021	3,740,841	30,071,862	31,506,135
<b>Ending Net Position</b>				<b>\$ 26,147,920</b>	<b>\$ 3,757,910</b>	<b>\$ 29,905,830</b>	<b>\$ 30,071,862</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

B. Fund Financial Statements

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Governmental Funds

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS	
			JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 2,813,217	\$ 9,056	\$ 2,822,273	\$ 3,783,561
Intergovernmental Accounts Receivable:				
State	30,315	-	30,315	30,829
Other	52,759	-	52,759	204,130
Interfund Receivable	541,304	-	541,304	72,787
Restricted Cash	431,660	-	431,660	356,070
Total Assets	<u>\$ 3,869,255</u>	<u>\$ 9,056</u>	<u>\$ 3,878,311</u>	<u>\$ 4,447,377</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 13,336	\$ 7,019	\$ 20,355	\$ 54,432
Intergovernmental Payable	56,845	-	56,845	336,893
Unearned Revenues	33,106	2,037	35,143	9,056
Interfund Payable	-	-	-	72,787
Total Liabilities	103,287	9,056	112,343	473,168
Fund Balances:				
Restricted:				
Capital Reserve	306,571	-	306,571	306,070
Maintenance Reserve	125,089	-	125,089	50,000
Assigned to:				
Designated for Subsequent Year's Expenditures	1,029,956	-	1,029,956	1,009,774
Other Purposes	10,707	-	10,707	45,879
Unassigned	2,293,645	-	2,293,645	2,562,486
Total Fund Balances	3,765,968	-	3,765,968	3,974,209
Total Liabilities & Fund Balances	<u>\$ 3,869,255</u>	<u>\$ 9,056</u>		
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-2) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			22,911,095	22,859,252
Long-term liabilities, including capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.			(529,143)	(502,440)
Net Position of Governmental Activities			<u>\$ 26,147,920</u>	<u>\$ 26,331,021</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
<b>Revenues:</b>				
County Appropriations	\$ 2,039,796	\$ -	\$ 2,039,796	\$ 1,999,800
Tuition	17,045,538	-	17,045,538	16,334,305
Non-Resident Fees	129,518	-	129,518	106,075
Miscellaneous	302,825	17,019	319,844	146,220
<b>Total Local Sources</b>	<b>19,517,677</b>	<b>17,019</b>	<b>19,534,696</b>	<b>18,586,400</b>
State Sources	1,753,872	-	1,753,872	1,481,637
Federal Sources	208,639	-	208,639	150,324
<b>Total Revenues</b>	<b>21,480,188</b>	<b>17,019</b>	<b>21,497,207</b>	<b>20,218,361</b>
<b>Expenditures:</b>				
<b>Current Expense:</b>				
Special Education	7,591,339	10,000	7,601,339	7,635,798
Other Instruction	769,477	-	769,477	783,403
<b>Support Services &amp; Undistributed Costs:</b>				
Student & Instruction Related Services	3,011,649	-	3,011,649	2,866,856
School Administrative Services	604,907	-	604,907	611,940
Other Administrative Services	337,570	-	337,570	357,719
Central Services	682,752	-	682,752	679,664
Administrative Information Technology	69,568	-	69,568	73,399
Plant Operations and Maintenance	1,654,930	-	1,654,930	1,584,176
Pupil Transportation	38,272	-	38,272	30,253
Unallocated Benefits	6,708,050	-	6,708,050	5,987,339
Capital Outlay	81,592	7,019	88,611	255,189
<b>Total Expenditures</b>	<b>21,550,106</b>	<b>17,019</b>	<b>21,567,125</b>	<b>20,865,736</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>(69,918)</b>	<b>-</b>	<b>(69,918)</b>	<b>(647,375)</b>
<b>Other Financing Sources/(Uses):</b>				
Cancellation of Prior Year Payables	803	-	803	7,739
Increase in Capital Reserve	-	-	-	75,000
Transfer to Capital Reserve	-	-	-	(75,000)
Transfers In	-	-	-	9,425
Transfers Out	(139,126)	-	(139,126)	(224,969)
<b>Total Other Financing Sources/(Uses)</b>	<b>(138,323)</b>	<b>-</b>	<b>(138,323)</b>	<b>(207,805)</b>
<b>Excess/(Deficiency) of Revenues &amp; Other Financing Sources Over/(Under) Expenditures &amp; Other Financing Uses</b>	<b>(208,241)</b>	<b>-</b>	<b>(208,241)</b>	<b>(855,180)</b>
Fund Balances July 1,	3,974,209	-	3,974,209	4,829,389
<b>Fund Balances June 30,</b>	<b>\$ 3,765,968</b>	<b>\$ -</b>	<b>\$ 3,765,968</b>	<b>\$ 3,974,209</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (208,241)

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:

Capital Outlays	88,611	
Adjustment to Capital Assets	879,539	
Depreciation Expense	<u>(916,307)</u>	51,843

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

Prior Year	502,440	
Current Year	<u>(529,143)</u>	<u>(26,703)</u>

Change in Net Assets of Governmental Activities \$ (183,101)

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## Proprietary Funds

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013  
 (With Comparative Totals for June 30, 2012)**

ASSETS	FOOD SERVICE	TRANSPORTATION	ITINERANT/ SHARED SERVICES	SCHOOLS TO CAREERS PROGRAMS	COUNTY PROGRAMS	STATE PROGRAMS	TOTALS	
							JUNE 30, 2013	JUNE 30, 2012 (MEMORANDUM ONLY)
Current Assets:								
Cash	\$ -	\$ 1,624,005	\$ 175,459	\$ 17,355	\$ -	\$ 23,115	\$ 1,839,934	\$ 1,608,319
Accounts Receivable:								
Federal	14,636	-	-	-	-	-	14,636	11,939
State	215	-	-	-	-	39,934	40,149	180
Other	17,852	479,889	255,490	2,830	140,635	-	896,696	904,337
Interfund Receivable	-	-	-	-	-	-	-	169,331
Prepaid Expenses	-	-	-	-	-	-	-	90
Inventory	17,000	-	-	-	-	-	17,000	15,563
<b>Total Current Assets</b>	<b>49,703</b>	<b>2,103,894</b>	<b>430,949</b>	<b>20,185</b>	<b>140,635</b>	<b>63,049</b>	<b>2,808,415</b>	<b>2,709,759</b>
Noncurrent Assets:								
Land and Improvements	-	73,500	-	-	-	-	73,500	73,500
Building and Improvements	-	510,210	-	-	-	-	510,210	510,210
Machinery and Equipment	584,587	3,359,721	-	-	-	-	3,944,308	3,532,414
Less: Accumulated Depreciator	(401,756)	(2,006,656)	-	-	-	-	(2,408,412)	(2,312,598)
<b>Total Noncurrent Assets</b>	<b>182,831</b>	<b>1,936,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,119,606</b>	<b>1,803,526</b>
<b>Total Assets</b>	<b>232,534</b>	<b>4,040,669</b>	<b>430,949</b>	<b>20,185</b>	<b>140,635</b>	<b>63,049</b>	<b>4,928,021</b>	<b>4,513,285</b>
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts Payable	869	30,572	6,161	13,770	956	-	52,328	37,030
Interfund Payable	191,950	-	267,091	-	82,263	-	541,304	169,331
Other Current Liabilities	-	-	-	-	-	-	-	5,706
Current Portion of Lease Obligations	-	258,271	-	-	-	-	258,271	244,111
<b>Total Current Liabilities</b>	<b>192,819</b>	<b>288,843</b>	<b>273,252</b>	<b>13,770</b>	<b>83,219</b>	<b>-</b>	<b>851,903</b>	<b>456,178</b>
Noncurrent Liabilities:								
Lease Obligations	-	138,034	-	-	-	-	138,034	122,970
Compensated Absences	11,020	169,154	-	-	-	-	180,174	193,296
<b>Total Noncurrent Liabilities</b>	<b>11,020</b>	<b>307,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,208</b>	<b>316,266</b>
<b>Total Liabilities</b>	<b>203,839</b>	<b>596,031</b>	<b>273,252</b>	<b>13,770</b>	<b>83,219</b>	<b>-</b>	<b>1,170,111</b>	<b>772,444</b>
<b>NET POSITION</b>								
Invested in Capital Assets:								
Net of Related Debt	182,831	1,540,470	-	-	-	-	1,723,301	1,436,445
Unrestricted	(154,136)	1,904,168	157,697	6,415	57,416	63,049	2,034,609	2,304,396
<b>Total Net Position</b>	<b>\$ 28,695</b>	<b>\$ 3,444,638</b>	<b>\$ 157,697</b>	<b>\$ 6,415</b>	<b>\$ 57,416</b>	<b>\$ 63,049</b>	<b>\$ 3,757,910</b>	<b>\$ 3,740,841</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	FOOD SERVICE	TRANSPORTATION	ITINERANT/ SHARED SERVICES	SCHOOLS TO CAREERS	COUNTY PROGRAMS	STATE PROGRAMS	TOTALS	
							JUNE 30, 2013	JUNE 30, 2012
Operating Revenues:								
Charges for Services:								
Daily Sales	\$ 273,208	\$ -	\$ -	\$ 31,139	\$ -	\$ -	\$ 304,347	\$ 251,792
Transportation Fees	-	7,988,914	-	-	-	-	7,988,914	8,379,071
Fees for Service	-	-	2,989,122	-	-	79,868	3,068,990	2,699,378
County Aid Payments	-	-	-	-	471,091	-	471,091	402,072
<b>Total Operating Revenue</b>	<b>273,208</b>	<b>7,988,914</b>	<b>2,989,122</b>	<b>31,139</b>	<b>471,091</b>	<b>79,868</b>	<b>11,833,342</b>	<b>11,732,313</b>
Operating Expenses:								
Cost of Sales	227,917	-	-	-	-	-	227,917	261,973
Salaries and Wages	227,257	2,777,988	2,196,597	31,183	355,451	53,035	5,641,511	5,610,591
Employee Benefits	163,646	2,524,636	1,248,802	-	73,484	23,664	4,034,232	3,722,933
Travel	-	-	181	-	2,067	-	2,248	1,958
General Supplies	18,211	-	-	-	10,615	-	28,826	5,799
Other Purchased Services	762	56,646	41,154	-	-	-	98,562	25,060
Transportation Operations	-	893,562	-	-	-	-	893,562	972,699
Contracted Services	-	1,100,671	-	-	-	-	1,100,671	1,107,596
Depreciation Expense	38,880	353,758	-	-	-	-	392,638	353,368
Miscellaneous	5,185	7,488	-	-	6,648	-	19,321	8,462
<b>Total Operating Expenses</b>	<b>681,858</b>	<b>7,714,749</b>	<b>3,486,734</b>	<b>31,183</b>	<b>448,265</b>	<b>76,699</b>	<b>12,439,488</b>	<b>12,070,439</b>
<b>Operating Income/(Loss)</b>	<b>(408,650)</b>	<b>274,165</b>	<b>(497,612)</b>	<b>(44)</b>	<b>22,826</b>	<b>3,169</b>	<b>(606,146)</b>	<b>(338,126)</b>
Nonoperating Revenues (Expenses):								
State Sources:								
State School Lunch Program	2,641	-	-	-	-	-	2,641	2,880
Federal Sources:								
School Breakfast Program	62,678	-	-	-	-	-	62,678	68,943
National School Lunch Program	115,628	-	-	-	-	-	115,628	119,293
Food Distribution Program	14,557	-	-	-	-	-	14,557	17,588
Interest Expense	-	(10,847)	-	-	-	-	(10,847)	(13,101)
Cancellation of Prior Year Payables	-	2,608	-	-	-	-	2,608	779
Adjustment to Capital Assets	38,716	258,108	-	-	-	-	296,824	-
<b>Total Nonoperating Revenue (Expenses)</b>	<b>234,220</b>	<b>249,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>484,089</b>	<b>196,382</b>
Other Financing Sources/(Uses):								
Operating Transfers In/(Out)	139,126	-	-	-	-	-	139,126	215,544
<b>Total Other Financing Sources/(Uses)</b>	<b>139,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,126</b>	<b>215,544</b>
<b>Change in Net Position</b>	<b>(35,304)</b>	<b>524,034</b>	<b>(497,612)</b>	<b>(44)</b>	<b>22,826</b>	<b>3,169</b>	<b>17,069</b>	<b>73,800</b>
<b>Total Net Position - Beginning</b>	<b>63,999</b>	<b>2,920,604</b>	<b>655,309</b>	<b>6,459</b>	<b>34,590</b>	<b>59,880</b>	<b>3,740,841</b>	<b>3,667,041</b>
<b>Total Net Position - Ending</b>	<b>\$ 28,695</b>	<b>\$ 3,444,638</b>	<b>\$ 157,697</b>	<b>\$ 6,415</b>	<b>\$ 57,416</b>	<b>\$ 63,049</b>	<b>\$ 3,757,910</b>	<b>\$ 3,740,841</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (With Comparative Totals for June 30, 2012)**

	TOTALS (MEMORANDUM ONLY)						
	FOOD SERVICE	TRANSPORTATION	ITINERANT/ SHARED SERVICES	SCHOOLS TO CAREERS	COUNTY PROGRAMS	STATE PROGRAMS	2012
Cash Flows from Operating Activities							
Receipts from Customers	\$ 266,313	\$ 7,975,302	\$ 3,077,816	\$ 32,409	\$ 388,319	\$ 79,868	\$ 11,971,008
Payments to Employees	(227,257)	(2,791,110)	(2,196,597)	(31,183)	(355,451)	(53,035)	(5,602,569)
Payments for Employee Benefit	(163,646)	(2,524,636)	(1,248,802)	-	(73,484)	(23,664)	(3,722,933)
Payments to Suppliers	(238,643)	(2,020,776)	(36,715)	(20,093)	(18,374)	-	(2,408,782)
Net Cash Provided/(Used) by Operating Activities	(363,233)	638,780	(404,298)	(18,867)	(58,990)	3,169	236,724
Cash Flows From Capital Financing Activities							
Purchase of Equipment	-	(10,847)	-	-	-	-	(10,847)
Interest Paid	-	(393,766)	-	-	-	-	(393,766)
Principal Paid on Lease Obligations	-	(404,613)	-	-	-	-	(391,326)
Net Cash Provided by Capital Financing Activities	-	(799,226)	-	-	-	-	(785,939)
Cash Flows From Noncapital Financing Activities							
Cash Received From State & Federal Programs	178,215	-	-	-	58,990	(18,978)	178,997
Operating Subsidiaries and Transfers from/(to) Other Fund:	185,018	169,331	267,091	-	-	-	214,614
Net Cash Provided by Noncapital Financing Activities	363,233	169,331	267,091	-	58,990	(18,978)	393,611
Net Increase/(Decrease) in Cash & Cash Equivalents	-	403,498	(137,207)	(18,867)	-	(15,809)	239,009
Balances - Beginning of Year	-	1,220,507	312,666	36,222	-	38,924	1,369,310
Balances - Ending of Year	\$ -	\$ 1,624,005	\$ 175,459	\$ 17,355	\$ -	\$ 23,115	\$ 1,608,319
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>							
Operating Income (Loss)	\$ (408,650)	\$ 274,165	\$ (497,612)	\$ (44)	\$ 22,826	\$ 3,169	\$ (606,146)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities							
Depreciation Expense	38,880	353,758	-	-	-	-	392,638
Food Distribution Program	14,557	-	-	-	-	-	17,588
Change in Assets & Liabilities:							
(Increase)/Decrease in Accounts Receivable	(6,895)	(13,612)	88,694	1,270	(82,772)	(13,315)	238,695
(Increase)/Decrease in Prepaid Expenses	90	-	-	-	-	90	(90)
(Increase)/Decrease in Inventory	(1,437)	-	-	-	-	-	(1,437)
Increase/(Decrease) in Accounts Payable	222	43,297	4,620	(20,093)	956	-	29,002
Increase/(Decrease) in Other Current Liabilities	-	(5,706)	-	-	-	-	(5,706)
Increase/(Decrease) in Compensated Absences	-	(13,122)	-	-	-	-	(13,122)
Net Cash Provided/(Used) by Operating Activities	\$ (363,233)	\$ 638,780	\$ (404,298)	\$ (18,867)	\$ (58,990)	\$ 3,169	\$ (203,439)
							\$ 236,724

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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Fiduciary Fund

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE			TOTALS	
	UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS STUDENT ACTIVITY PAYROLL		JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 154,446	\$ 75,774	\$ 33,508	\$ 263,728	\$ 205,713
Total Assets	154,446	75,774	33,508	263,728	205,713
<b>LIABILITIES</b>					
Unemployment Claims Payable	38,919	-	-	38,919	3,995
Payroll Deductions & Withholdings	-	-	33,508	33,508	13,020
Due to Student Groups	-	75,774	-	75,774	76,559
Total Liabilities	38,919	75,774	33,508	148,201	93,574
<b>NET POSITION</b>					
Reserved	115,527	-	-	115,527	112,139
Total Net Position	\$ 115,527	\$ -	\$ -	\$ 115,527	\$ 112,139

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION INSURANCE	JUNE 30, 2013	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2012
Additions:				
Local Sources:				
Employee Salary Deductions	\$ 40,999	\$ 40,999	\$ 35,427	
Board Contribution	18,000	18,000	-	
Total Operating Revenues	58,999	58,999	35,427	
Other Sources:				
Interest on Investments	213	213	341	
Total Additions	59,212	59,212	35,768	
Deductions:				
Unemployment Compensation Insurance Claims	55,824	55,824	11,005	
Miscellaneous	-	-	133	
Total Deductions	55,824	55,824	11,138	
Change in Net Position	3,388	3,388	24,630	
Net Position - Beginning of the Year	112,139	112,139	87,509	
Net Position - End of the Year	\$ 115,527	\$ 115,527	\$ 112,139	

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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

The accompanying financial statements of the Atlantic County Special Services School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. It also required new information and restructured much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards for the fiscal year-ending June 30, 2003, 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. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

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, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (Memorandum Only).

**A. Reporting Entity**

The Atlantic County Special Services School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels 9 through 12. The Atlantic County Special Services School District has an approximate enrollment at June 30, 2013 of 435 students.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**A. Reporting Entity (continued)**

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

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

Based on the aforementioned criteria, the District has no component units. The Atlantic County Special Services School District is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes 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 non-fiduciary 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 position is 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 position. 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 and fiduciary funds. 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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**Governmental Funds**

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**D. Fund Accounting (continued)**

**Governmental Funds (continued)**

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

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).

**Proprietary Funds**

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.

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 position) is segregated into contributed capital and unreserved net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**D. Fund Accounting (continued)**

**Proprietary Funds (continued)**

The District's enterprise fund is comprised of the following:

- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.
- Transportation Fund – This fund accounts for the revenues and expenses pertaining to the transportation services provided to other districts within the State.
- Itinerant/Shared Services Fund – This fund accounts for the revenues and expenses pertaining to the various itinerant services provided to other districts within the County. This fund also accounts for the shared service agreements with the Atlantic County Institute of Technology.
- State Programs Fund – This fund accounts for the revenues and expenses pertaining to the educational programs and services provided through a contract with the State of New Jersey, Department of Human Services, Juvenile Justice Commission.
- Schools to Careers Fund – This fund accounts for the revenues and expenses pertaining to the Schools to Careers Program that provides activities in a non-traditional community based system that ensures appropriate employment for the graduates.
- County Projects Fund – This fund accounts for the revenues and expenses pertaining to agreements with Atlantic County government to provide educational services for the County.

**Fiduciary Fund**

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

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

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

**E. Basis of Accounting**

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**E. Basis of Accounting (continued)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) 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 position.

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.

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 approved by the County Superintendent. 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.6:20-2A(m)1*. 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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**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 Atlantic County Special Services School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

**H. Cash and Cash Equivalents**

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

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

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

*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**

These adjustments are recorded upon certification by the State Board of Education, which is normally two years following the contract year. The cumulative adjustments through June 30, 2013, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**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.

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, 2013.

**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 Atlantic County Special Services School District and that are due within one year.

**L. Capital 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. There is no depreciation recorded for land and construction in progress. Capital assets are depreciated on the straight-line method over the assets' estimated useful life as follows:

Buildings & Improvements	10-50 years
Machinery & Equipment	5-12 years
Vehicles	4-6 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, 2013 for such salaries.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**N. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

**O. Unearned Revenue**

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

**P. Long-Term Obligations**

In the 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 Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Atlantic County Special Services School District 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

The Atlantic County Special Services School District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Atlantic County Special Services School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**R. Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts. Actual results could differ significantly from these estimates.

**S. Subsequent Events**

The Atlantic County Special Services School District has evaluated subsequent events occurring after June 30, 2013 through the date of October 23, 2013, 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 limitations of New Jersey state law. The deposits held at June 30, 2013, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$ 5,357,595</u>
Total Deposits	<u>\$ 5,357,595</u>
 <b>Cash &amp; Cash Equivalents are Reported as Follows:</b>	
Governmental Activities	\$ 3,253,933
Business-Type Activities	1,839,934
Fiduciary Funds	<u>263,728</u>
Total Cash and Cash Equivalents	<u>\$ 5,357,595</u>

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, *NJSA 17:9-41* et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2013, the District’s bank balance of \$4,550,913 was insured or collateralized as shown below:

Insured Under FDIC	\$ 250,000
Collateralized by Securities Held by Pledging Financial Institution	<u>4,300,913</u>
Total	<u>\$ 4,550,913</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 3. Capital Reserve Account**

A capital reserve account was established by the Atlantic County Special Services School District on September 28, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 306,070
Increases:	
Interest Earned	<u>501</u>
Ending Balance, June 30, 2013	<u>\$ 306,571</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 is \$692,050. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Rang Facilities Plan.

**Note 4. Maintenance Reserve Account**

A maintenance reserve account was established by the Atlantic County Special Services School District on June 25, 2012, for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 4. Maintenance Reserve Account (continued)**

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$	50,000
Increases:		
Board Resolution dated June 24, 2013		75,000
Interest Earnings		<u>89</u>
Ending Balance, June 30, 2013	\$	<u>125,089</u>

**Note 5. Accounts Receivable**

Accounts receivable at June 30, 2013 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
Intergovernmental	\$ 83,074	\$ 951,481	\$ 1,034,555

**Note 6. Capital Assets**

The schedule on the following page is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2013.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 6. Capital Assets (continued)**

	June 30, 2012	Additions	Transfers/ Adjustments	June 30, 2013
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 636,272	\$ -	\$ -	\$ 636,272
Construction in progress	3,957	-	-	3,957
	<hr/>			
Total capital assets not being depreciated	640,229	-	-	640,229
	<hr/>			
Capital assets being depreciated:				
Buildings and improvements	28,888,854	-	-	28,888,854
Machinery and equipment	3,240,832	88,611	879,539	4,208,982
Historical cost	32,129,686	88,611	879,539	33,097,836
	<hr/>			
Less: accumulated depreciation:				
Buildings and improvements	(7,327,451)	(752,305)	-	(8,079,756)
Machinery and equipment	(2,583,212)	(164,002)	-	(2,747,214)
Total accumulated depreciation	(9,910,663)	(916,307)	-	(10,826,970)
	<hr/>			
Total capital assets being depreciated, net	22,219,023	(827,696)	879,539	22,270,866
	<hr/>			
Governmental activities capital assets, net	\$ 22,859,252	\$ (827,696)	\$ 879,539	\$ 22,911,095
	<hr/> <hr/>			

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 6. Capital Assets (continued)**

	June 30, 2012	Additions	Transfers/ Adjustments	June 30, 2013
<b>Business-Type Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 73,500	\$ -	\$ -	\$ 73,500
<hr/>				
Total capital assets not being depreciated	73,500	-	-	73,500
<hr/>				
Capital assets being depreciated:				
Buildings and improvements	510,210	-	-	510,210
Equipment	3,532,414	411,894	-	3,944,308
<hr/>				
Historical cost	4,042,624	411,894	-	4,454,518
Less: accumulated depreciation:				
Buildings and improvements	(151,085)	(14,099)	-	(165,184)
Equipment	(2,161,513)	(378,539)	296,824	(2,243,228)
<hr/>				
Total accumulated depreciation	(2,312,598)	(392,638)	296,824	(2,408,412)
Total capital assets being depreciated, net	1,730,026	19,256	296,824	2,046,106
<hr/>				
Business-type activities capital assets, net	\$ 1,803,526	\$ 19,256	\$ 296,824	\$ 2,119,606
<hr/> <hr/>				

**Note 7. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2013:

Fund	Interfund Receivable	Interfund Payable
Governmental Funds	\$ 541,304	\$ -
Proprietary Funds	-	541,304
<hr/>		
	\$ 541,304	\$ 541,304
<hr/> <hr/>		

The purpose of these interfunds is short-term borrowings.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 8. Long-Term Obligations**

During the fiscal year ended June 30, 2013 the following changes occurred in liabilities reported in the governmental activities long-term obligations account group:

	<b>June 30, 2012</b>	<b>Issued</b>	<b>Retired</b>	<b>June 30, 2013</b>
Governmental activities:				
Compensated absences payable	\$ 502,440	\$ 26,703	\$ -	\$ 529,143

During the fiscal year ended June 30, 2013 the following changes occurred in liabilities reported in the business-type activities long-term obligations account group:

	<b>June 30, 2012</b>	<b>Issued</b>	<b>Retired</b>	<b>June 30, 2013</b>	<b>Amounts Due Within One Year</b>
Business-type activities:					
Capital leases	\$ 367,081	\$ 411,894	\$ 382,670	\$ 396,305	\$ 258,271
Compensated absences payable	193,296	-	13,122	180,174	-
	<b>\$ 560,377</b>	<b>\$ 411,894</b>	<b>\$ 395,792</b>	<b>\$ 576,479</b>	<b>\$ 258,271</b>

**A. Obligations Under Capital Leases**

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years, usually three to five. Interest rates range from 2.02% to 2.35%. Assets acquired through capital leases as of June 30, 2013 totaled \$411,894. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2013:

<b>Year-ending June 30,</b>	<b>Amount</b>
2014	\$ 266,681
2015	140,823
Total minimum lease payments	407,504
Less: Amount representing interest	(11,199)
Present value of lease payments	<b>\$ 396,305</b>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 9. Fund Balance**

**General Fund** – Of the \$3,765,968 General Fund fund balance at June 30, 2013, \$306,571 has been restricted for future capital activity; \$125,089 has been reserved for future maintenance activity; \$1,029,956 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; \$10,707 has been reserved for encumbrances; and \$2,293,645 is unassigned.

**Note 10. 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 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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 10. Pension Plans (continued)**

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.

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

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. The rate will increase over the next seven years to 7.5%. 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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 10. Pension Plans (continued)**

**Three-Year Trend Information for PERS**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/13	\$482,484	100%	\$ -0-
6/30/12	495,840	100%	-0-
6/30/11	566,351	100%	-0-

**Information for TPAF (Paid on behalf of the District)**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/13	\$1,135,043	100%	\$ -0-
6/30/12	781,614	100%	-0-
6/30/11	619,558	100%	-0-

During the year ended June 30, 2013 the State of New Jersey contributed \$1,135,043 to the TPAF for normal pension and 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 \$618,829 for the year ended June 30, 2013 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 11. 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, 2012, there were 97,661 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 12. Risk Management**

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

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

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

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>Employee Contributions</b>	<b>Interest Earned</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2012-2013	\$ 18,000	\$ 40,999	\$ 213	\$ 55,824	\$ 115,527
2011-2012	-	35,427	341	11,138	112,139
2010-2011	-	34,250	706	36,732	87,509

**Note 13. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Note 14. Economic Dependency**

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note 15. Deferred Compensation**

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

The Equitable	Lincoln Investments	Fidelity Investments
Met Life	Frank J. Siracusa & Sons	Vanguard

**Note 16. Compensated Absences**

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

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, 2013 is \$529,143.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. The current portion of the compensated absence balance is not considered material to the proprietary fund total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2013 is \$180,174.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:							
Local Sources:							
County Tax Levy	\$ 2,039,796	\$ -	\$ 2,039,796	\$ 1,999,800	\$ -	\$ 1,999,800	\$ (397,737)
Tuition from LEA's	16,574,620	217,251	16,791,871	16,053,642	-	16,053,642	678,400
Tuition from Other Sources	690,000	-	690,000	710,000	-	710,000	106,075
Non-Resident Fees	110,400	-	110,400	76,600	-	76,600	649
Interest Earned on Capital Reserve Funds	120	-	120	501	-	501	-
Interest Earned on Maintenance Reserve Funds	-	-	-	89	-	89	-
Other Local Revenue Miscellaneous	10,000	-	10,000	27,219	-	27,219	107,785
Total Local Sources	19,424,936	217,251	19,642,187	18,867,381	-	18,867,381	18,548,734
State Sources:							
On-Behalf TPAF Contributions - Pension (Non-Budgeted)	-	-	532,697	-	-	-	259,650
On-Behalf TPAF Contributions - Post-Retirement Medical (Non-Budgeted)	-	-	602,346	-	-	-	521,964
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	618,829	-	-	-	627,236
Total State Sources	-	-	1,753,872	-	-	-	1,408,850
Federal Sources:							
Special Education - Medicaid Initiative	50,000	-	208,639	50,000	-	50,000	141,526
Total Federal Sources	50,000	-	208,639	50,000	-	50,000	141,526
Total Revenues	19,474,936	217,251	21,480,188	18,917,381	-	18,917,381	1,181,729
Expenditures:							
Current Expense:							
Special Education - Behavioral Disabilities:							
Salaries of Teachers	-	95,115	95,115	-	-	-	-
Other Salaries for Instruction	-	32,552	32,513	40,000	(1,575)	38,425	25,092
General Supplies	-	1,000	1,000	40,000	(1,575)	38,425	13,333
Other Objects	-	1,000	1,000	66,500	-	66,500	21,418
Total Behavioral Disabilities	-	129,667	127,628	146,500	(3,150)	143,350	48,084
Special Education - Multiple Disabilities:							
Salaries of Teachers	3,721,137	(202,118)	3,519,019	3,262,164	(149,996)	3,560,663	60,441
Other Salaries for Instruction	1,790,139	1,199,019	1,909,158	1,898,873	(47,977)	1,998,193	1,842,434
Purchased Professional Education Serv	8,000	806	8,806	8,000	2,043	10,043	-
Other Purchased Services	2,000	-	2,000	375	1,625	3,000	871
General Supplies	85,340	(806)	84,534	105,340	(1,468)	103,872	81,724
Textbooks	25,000	-	25,000	17,829	(1,575)	38,425	25,092
Other Objects	36,500	-	36,500	66,500	-	66,500	21,418
Total Multiple Disabilities	5,668,116	(83,099)	5,585,017	5,266,721	(197,793)	5,780,696	310,651
Special Education - Autism:							
Salaries of Teachers	246,100	88,233	334,333	333,947	37,822	283,675	279,974
Other Salaries for Instruction	376,033	(127,418)	248,615	244,573	9,176	274,808	274,808
Purchased Professional Education Services	5,200	-	5,200	5,200	-	5,200	5,200
General Supplies	2,500	-	2,500	692	-	2,500	2,418
Textbooks	500	-	500	500	-	500	500
Other Objects	2,000	-	2,000	786	-	2,000	287

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO FINAL TO	POSITIVE/ (NEGATIVE) FINAL TO FINAL TO
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Current Expense (continued):	632,333	(39,185)	593,148	586,314	46,998	568,683	5,996	5,996
Total Autism				6,834				
Special Education - Preschool Disabilities:								
Salaries of Teachers	251,780	-	251,780	251,780	400	246,454	246,454	-
Other Salaries for Instruction	218,023	(27,205)	190,818	187,052	(400)	247,254	212,677	34,577
General Supplies	1,525	-	1,525	461	-	1,525	833	692
Textbooks	2,500	-	2,500	-	-	6,694	222	6,472
Total Preschool Disabilities - Full-Time	473,828	(27,205)	446,623	439,293	-	501,927	460,045	41,882
Special Education - Extended School Year:								
Salaries of Teachers	302,710	(13,138)	289,572	289,504	-	301,110	267,640	33,470
Other Salaries for Instruction	117,000	13,138	130,138	128,039	-	238,000	109,627	128,373
Purchased Professional Education Services	6,335	-	6,335	3,289	-	6,335	5,689	646
General Supplies	6,000	-	6,000	4,696	-	6,000	5,238	762
Other Objects	25,000	-	25,000	21,855	-	30,425	18,740	11,685
Total Extended School Year	457,045	-	457,045	447,383	-	581,870	406,934	174,936
Special Education - Cognitive - Severe:								
Salaries of Teachers	310,181	28,711	338,892	338,892	111,964	326,611	318,195	8,416
Other Salaries for Instruction	238,613	(49,611)	189,002	188,059	38,621	220,177	205,646	14,531
Purchased Professional Education Services	200,445	-	200,445	196,695	-	200,445	196,695	3,750
General Supplies	3,220	-	3,220	354	-	3,220	1,865	1,355
Other Objects	2,500	-	2,500	-	-	2,500	-	2,500
Total Cognitive - Instruction	754,959	(20,900)	734,059	724,000	150,585	752,953	722,401	30,552
Total Special Education	7,986,281	(40,722)	7,945,559	7,591,339	(3,360)	8,329,479	7,670,196	659,283
Other Instructional Programs - Instruction:								
Salaries	749,265	10,789	760,054	757,049	210	724,269	724,269	-
Supplies and Materials	19,619	-	19,619	12,428	-	23,143	7,556	15,587
Other Objects	-	-	-	-	-	3,000	2,645	355
Total Other Instructional Programs - Instruction	768,884	10,789	779,673	769,477	210	750,412	734,470	15,942
Community Services Programs/Operations								
Salaries	-	-	-	-	-	48,134	48,133	1
Purchased Services	-	-	-	-	-	1,850	-	1,850
Supplies and Materials	-	-	-	-	-	1,094	355	739
Other Objects	-	-	-	-	-	750	445	305
Total Community Services Programs/Operations	-	-	-	-	-	51,828	48,933	2,895
Undistributed Expenditures:								
Health Services:								
Salaries	351,869	-	351,869	349,773	-	384,341	382,620	1,721
Purchased Professional and Technical Services	160,950	-	160,950	156,946	-	189,310	116,127	73,183
Supplies and Materials	9,000	-	9,000	5,158	-	9,000	8,001	999
Other Objects	3,500	-	3,500	1,148	-	3,500	1,383	2,117
Total Health Services	525,319	-	525,319	513,025	-	586,151	508,131	78,020

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense (continued):							
Speech, OT, PT & Related Services:							
Salaries	1,413,230	158,536	1,571,766	1,571,766	-	1,440,790	23,766
Purchased Professional Education Services	5,000	-	5,000	2,486	2,514	-	5,000
Other Objects	11,750	-	11,750	8,808	2,942	11,748	4,884
Total Speech, OT, PT & Related Services	1,429,980	158,536	1,588,516	1,583,060	5,456	1,447,654	33,650
Extraordinary Services:							
Salaries	-	-	-	-	-	-	-
Purchased Professional Education Services	-	-	-	586,926	(586,926)	-	-
Supplies and Materials	-	-	-	5,000	(5,000)	-	-
	-	-	-	6,000	(5,748)	252	252
Total Extraordinary Services	-	-	-	597,926	(597,674)	252	252
Child Study Team:							
Salaries of Other Professional Staff	749,352	(1,455)	747,897	722,959	24,938	811,257	86,100
Salaries of Secretarial and Clerical Assistants	150,468	-	150,468	150,468	-	150,397	725,157
Other Purchased Services	3,200	-	3,200	1,290	1,910	3,200	3,197
Supplies and Materials	5,847	-	5,847	5,243	7,847	7,847	2,976
Other Objects	10,000	-	10,000	1,204	8,796	30,000	27,040
Total Child Study Team	918,867	(1,455)	917,412	876,525	40,887	1,002,701	884,687
Improvement of Instruction Services:							
Other Salaries	-	15,000	15,000	5,511	9,489	-	-
Total Improvement of Instruction Services	-	15,000	15,000	5,511	9,489	-	-
Educational Media/Library Services:							
Salaries	7,500	1,239	8,739	8,739	-	7,500	6,930
Purchased Professional and Technical Services	5,000	-	5,000	3,923	1,077	5,000	4,112
Other Purchased Services	1,500	(1,239)	61	61	61	1,500	888
Supplies and Materials	4,985	-	4,985	-	4,985	(4,728)	1,300
Total Educational Media/Library Services	18,785	-	18,785	12,662	6,123	18,785	257
Instructional Staff Training Services:							
Purchased Professional - Educational Services	25,200	(10,000)	15,200	10,392	4,808	15,200	12,085
Other Purchased Services	2,000	(1,500)	500	-	500	12,765	260
Supplies and Materials	21,000	(6,000)	15,000	10,474	4,526	6,000	2,466
Total Instructional Staff Training Services	48,200	(17,500)	30,700	20,866	9,834	33,965	14,811
Support Services - General Administration:							
Salaries	186,161	(1,325)	184,836	184,836	-	188,261	992
Legal Services	45,000	(6,600)	38,400	20,627	17,773	45,000	21,810
Audit Fees	26,500	(2,500)	24,000	24,000	-	26,500	20,690
Other Purchased Professional Services	1,100	10,750	11,850	6,000	5,850	1,100	2,500
Communications/Telephone	52,000	(33,250)	18,750	12,310	6,440	57,000	12,235
BOE Other Purchased Services	2,500	-	2,500	1,413	1,087	2,500	711
Misc. Purchased Services	65,000	8,000	73,000	69,758	3,242	74,500	57,686
General Supplies	11,500	(1,819)	9,681	6,522	3,159	11,500	2,223

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense (continued):							
BOE In-House Training/Meeting Supplies	3,700	(2,720)	980	371	-	3,700	313
Miscellaneous Expenditures	4,900	-	4,900	1,461	-	4,900	4,205
BOE Membership Dues and Fees	6,475	1,819	8,294	8,294	-	6,475	6,475
<b>Total Support Services - General Administration</b>	<b>404,836</b>	<b>(27,645)</b>	<b>377,191</b>	<b>337,570</b>	<b>(16,200)</b>	<b>405,236</b>	<b>357,719</b>
Support Services - School Administration:							
Salaries of Principals, Asst. Principals Program Director	411,779	(12,092)	399,687	399,686	1	396,883	396,320
Salaries of Secretarial and Clerical Assistants	198,749	(5,329)	193,420	188,308	5,112	193,321	188,807
Other Salaries	25,000	(715)	24,285	-	24,285	25,000	-
Other Professional Services	9,500	(4,000)	5,500	3,646	(177)	9,323	8,670
Supplies and Materials	16,200	(4,000)	12,200	8,842	3,358	16,200	15,606
Other Objects	4,560	-	4,560	4,425	135	4,737	2,537
<b>Total Support Services - School Administration</b>	<b>665,788</b>	<b>(26,136)</b>	<b>639,652</b>	<b>604,907</b>	<b>34,745</b>	<b>645,464</b>	<b>611,940</b>
Central Services:							
Salaries	634,552	(3,063)	631,489	630,439	1,050	649,650	614,728
Purchased Professional Services	45,673	(8,000)	37,673	35,753	1,920	39,108	47,733
Misc. Purchased Services	20,000	(8,000)	12,000	7,742	4,258	24,500	16,556
Supplies and Materials	21,300	(8,000)	13,300	6,767	6,533	21,300	4,742
Miscellaneous Expenditures	2,500	-	2,500	2,051	449	2,500	2,067
<b>Total Central Services</b>	<b>724,025</b>	<b>(27,063)</b>	<b>696,962</b>	<b>682,752</b>	<b>14,210</b>	<b>737,058</b>	<b>718,309</b>
Administrative Information Technology:							
Salaries	65,369	-	65,369	65,368	1	63,775	63,774
Supplies and Materials	5,000	-	5,000	4,200	800	5,000	9,625
<b>Total Administrative Information Technology</b>	<b>70,369</b>	<b>-</b>	<b>70,369</b>	<b>69,568</b>	<b>801</b>	<b>68,775</b>	<b>73,399</b>
Required Maintenance for School Facilities:							
Salaries	244,109	16,788	260,897	249,800	11,097	424,669	219,693
Cleaning, Repairs, and Maintenance Services	210,886	-	210,886	185,887	24,999	206,750	196,079
General Supplies	42,025	8,000	50,025	42,528	7,497	89,503	48,705
Other Objects	6,739	-	6,739	6,020	719	12,928	5,728
<b>Total Required Maintenance for School Facilities</b>	<b>503,759</b>	<b>24,788</b>	<b>528,547</b>	<b>484,235</b>	<b>44,312</b>	<b>733,850</b>	<b>470,205</b>
Custodial Services:							
Salaries	374,333	(17,580)	356,753	356,561	20,192	243,893	364,992
Purchased Professional and Technical Services	19,520	(6,360)	13,160	4,008	9,152	11,520	19,520
Cleaning, Repairs, and Maintenance Services	52,687	-	52,687	38,980	13,707	62,164	49,539
Rental of Land & Build. Other Than Lease Pur. Agreem.	20,000	(14,000)	6,000	5,000	1,000	20,000	12,500
Other Purchased Property Services	33,990	-	33,990	27,343	6,647	37,823	27,895
General Supplies	70,119	(16,607)	53,512	43,168	10,344	30,686	56,237
Energy (Electricity)	332,010	100,328	432,338	423,983	8,355	325,500	373,225
Other Object	6,524	102,133	108,657	106,639	1,818	91,625	51,576
Energy (Natural Gas)	93,457	(87,133)	6,324	-	6,324	60,393	2,215
<b>Total Custodial Services</b>	<b>1,002,440</b>	<b>60,781</b>	<b>1,063,221</b>	<b>985,682</b>	<b>77,539</b>	<b>1,011,041</b>	<b>944,363</b>

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Current Expense (continued):							
Care & Upkeep of Grounds:							
Cleaning, Repairs, and Maintenance Services	30,750	30,750	21,701	30,750	30,750	21,951	3,599
General Supplies	11,565	11,565	11,317	11,339	16,539	15,711	828
Total Care & Upkeep of Grounds	42,315	42,315	33,018	42,089	47,289	37,662	4,427
Security:							
Salaries	80,453	81,945	81,945	78,491	78,491	78,491	-
Purchased Professional and Technical Services	54,128	60,488	60,488	52,551	52,551	52,551	-
General Supplies	2,355	7,907	9,562	3,780	3,780	904	2,876
Total Security	136,936	152,695	151,995	134,822	134,822	131,946	2,876
Total Operation & Maintenance of Plant Services	1,685,450	1,786,778	1,654,930	1,733,972	1,683,972	1,584,176	99,796
Student Transportation Services:							
Contract Services	46,300	46,300	37,076	55,300	55,300	30,253	25,047
Other Objects	7,800	7,800	1,196	7,800	7,800	7,800	7,800
Total Student Transportation Services	54,100	54,100	38,272	63,100	63,100	30,253	32,847
Personnel Services - Unallocated Employee Benefits:							
Social Security Contributions	410,000	410,000	391,370	429,175	429,175	392,521	36,654
Other Retirement Contributions - PERS	527,480	482,484	482,484	599,873	(104,033)	495,840	495,840
Other Retirement Contributions - Regular	2,800	2,800	205	2,595	2,982	-	2,982
Unemployment Compensation	18,000	18,000	18,000	18,659	18,659	-	18,659
Workmen's Compensation	356,387	(59,092)	291,197	355,393	355,393	343,325	12,068
Health Benefits	3,568,465	176,208	3,738,885	3,411,549	(18,983)	3,310,336	101,213
Tuition Reimbursement	35,500	35,500	22,744	35,500	35,500	27,853	7,647
Other Employee Benefits	11,500	11,500	9,293	11,220	11,220	8,614	2,606
Total Personnel Services - Unallocated Employee Benefits	4,930,132	5,002,252	4,954,178	4,880,352	(120,034)	4,578,489	181,829
On-Behalf TPAF Contributions - Pension (Non-Budgeted)	-	-	532,697	-	-	259,650	(259,650)
On-Behalf TPAF Contributions - Post-Retirement	-	-	602,346	-	-	521,964	(521,964)
Medical (Non-Budgeted)	-	-	618,829	-	-	627,236	(627,236)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	-	-	-	-
Total Undistributed Expenditures	11,475,851	247,185	13,107,698	11,668,615	(200,283)	12,190,815	(722,483)
Total General Current Expenditures	20,231,016	217,252	20,448,268	20,803,484	(203,433)	20,600,051	(441,363)
Capital Outlay:							
Equipment:							
Multiple Disabilities	25,000	25,000	5,674	25,000	25,000	24,478	522
Undistributed Expenditures:							
Instruction	12,503	(1)	-	12,502	12,503	4,913	7,590
Support Services - Instructional Staff	3,000	3,000	2,992	8	3,000	-	3,000
School Administration	8,600	8,600	8,600	12,100	12,100	-	12,100
Central Services	10,000	10,000	-	17,500	17,500	-	17,500
Required Maintenance for School Facilities	43,345	45,879	72,926	43,345	77,146	31,267	45,879
Custodial Services	3,500	3,500	-	3,500	3,500	-	3,500

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBERS	JUNE 30, 2013		JUNE 30, 2012		POSITIVE/ (NEGATIVE) FINAL TO FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	
Capital Outlay (continued):					
Care & Upkeep of Grounds	6,000	6,000	6,000	6,000	6,000
Security	-	-	2,500	2,500	2,500
Total Equipment	111,948	157,826	81,592	159,249	98,591
Facilities Acquisition & Construction Services:					
Legal Services	2,500	2,500	2,500	2,500	2,500
Total Facilities Acquisition & Construction Services	2,500	2,500	2,500	2,500	2,500
Total Capital Outlay	114,448	160,326	81,592	161,749	60,658
Total Expenditures	20,345,464	20,608,594	21,550,106	20,761,800	20,705,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	(870,528)	(916,407)	(69,918)	(1,844,419)	(605,962)
Other Financing Sources (Uses):					
Cancellation of Prior Years Payables	-	-	803	-	7,739
Transfer of Interest Earned on Capital Reserve	(120)	(120)	120	-	-
Increase in Capital Reserve	-	-	-	-	75,000
Transfer to Capital Reserve	-	-	-	-	(75,000)
Operating Transfers Out:					
Transfer from Capital Projects Fund	-	-	-	-	9,425
Transfer from Enterprise Funds	(139,126)	(139,126)	(139,126)	(243,778)	(215,544)
Total Other Financing Sources (Uses)	(139,246)	(139,246)	(138,323)	(243,778)	(198,380)
Excess (Deficiency) of Revenues & Other Financing Sources (Uses) Over (Under) Expenditures & Other Financing Uses	(1,009,774)	(1,055,653)	(308,241)	(2,088,197)	(804,342)
Fund Balances, July 1	3,974,209	3,974,209	3,974,209	4,730,467	4,730,467
Fund Balances, June 30	\$ 2,964,435	\$ (45,879)	\$ 2,918,556	\$ 2,785,490	\$ 3,974,209

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 45,879
Total Budget Transfers	\$ 45,879

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 306,571
Maintenance Reserve	125,089
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	1,029,956
Year-End Encumbrances	10,707
Unassigned Fund Balance	2,291,645
Fund Balance per Governmental Funds (GAAP)	\$ 3,765,968

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
EDUCATION JOBS FUND PROGRAM -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013		POSITIVE/ (NEGATIVE) FINAL TO		JUNE 30, 2012		POSITIVE/ (NEGATIVE) FINAL TO	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
Federal Sources:								
Education Jobs Fund	\$ -	\$ -	\$ -	\$ -	\$ 490,727	\$ 15,374	\$ 506,101	\$ 506,101
Total Federal Sources	-	-	-	-	490,727	15,374	506,101	506,101
Total Revenues	-	-	-	-	490,727	15,374	506,101	506,101
Expenditures:								
Support Services School Administration:								
Salaries of Principals & Assistant Principals	-	-	-	-	120,000	-	120,000	120,000
Salaries of Secretarial & Clerical Assistants	-	-	-	-	32,000	-	32,000	32,000
Health Benefits	-	-	-	-	28,000	-	28,000	28,000
Total Support Services School Administration	-	-	-	-	180,000	-	180,000	180,000
Other Operation & Maintenance of Plant:								
Salaries	-	-	-	-	77,000	-	77,000	77,000
Health Benefits	-	-	-	-	8,000	-	8,000	8,000
Total Other Operation & Maintenance of Plant	-	-	-	-	85,000	-	85,000	85,000
Special Vocational Programs - Instruction:								
Salaries of Teachers	-	-	-	-	50,000	-	50,000	50,000
Other Salaries for Instruction	-	-	-	-	126,626	15,374	142,000	142,000
Health Benefits	-	-	-	-	49,101	-	49,101	49,101
Total Special Vocational Programs - Instruction:	-	-	-	-	225,727	15,374	241,101	241,101
Total Expenditures	-	-	-	-	490,727	15,374	506,101	506,101
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013		JUNE 30, 2012		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO FINAL TO
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>					
Federal Sources	\$ -	\$ -	\$ -	\$ 8,798	\$ 8,798
Local Sources	19,056	19,056	17,019	46,722	37,666
<b>Total Revenues</b>	<b>19,056</b>	<b>19,056</b>	<b>17,019</b>	<b>55,520</b>	<b>46,464</b>
					<b>(9,056)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	3,000	3,000	3,000	1,000	1,000
General Supplies	7,000	7,000	7,000	12,686	12,686
<b>Total Instruction</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>13,686</b>	<b>13,686</b>
Support Services:					
Travel	-	-	-	531	531
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531</b>	<b>531</b>
Facilities Acquisition & Construction Services					
Construction Services	9,056	9,056	7,019	30,755	21,699
Non-Instructional Equipment	-	-	-	10,548	10,548
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>9,056</b>	<b>9,056</b>	<b>7,019</b>	<b>41,303</b>	<b>32,247</b>
<b>Total Expenditures</b>	<b>19,056</b>	<b>19,056</b>	<b>17,019</b>	<b>55,520</b>	<b>46,464</b>
<b>Excess/(Deficiency) of Revenues Over/(Under), Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**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)	\$ 21,480,188	\$ 17,019
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 21,480,188	\$ 17,019
	<hr/> <hr/>	<hr/> <hr/>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 21,550,106	\$ 17,019
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-
		<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 21,550,106	\$ 17,019
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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	Atlanticare Health Grant	Safety Grant	2013	2012
<b>Revenues:</b>				
Federal Sources	\$ -	\$ -	\$ -	\$ 8,798
Local Sources	10,000	7,019	17,019	37,666
<b>Total Revenues</b>	<b>\$ 10,000</b>	<b>\$ 7,019</b>	<b>\$ 17,019</b>	<b>\$ 46,464</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$ 3,000	\$ -	\$ 3,000	\$ 1,000
General Supplies	7,000	-	7,000	12,686
<b>Total Instruction</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>13,686</b>
<b>Support Services:</b>				
Travel	-	-	-	531
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531</b>
<b>Facilities Acquisition &amp; Construction Services:</b>				
Construction Services		7,019	7,019	21,699
Non-Instructional Equipment			-	10,548
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>7,019</b>	<b>7,019</b>	<b>32,247</b>
<b>Total Expenditures</b>	<b>\$ 10,000</b>	<b>\$ 7,019</b>	<b>\$ 17,019</b>	<b>\$ 46,464</b>

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F. Capital Projects Fund

Not Applicable

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## G. Proprietary Funds

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Enterprise Funds

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)

ASSETS	FOOD SERVICE	TRANSPORTATION	ITINERANT/ SHARED SERVICES	SCHOOLS TO CAREERS PROGRAMS	COUNTY PROGRAMS	STATE PROGRAMS	2013	2012
<b>Current Assets:</b>								
Cash	\$ -	\$ -	\$ 175,459	\$ 17,355	\$ -	\$ 23,115	\$ 1,839,934	\$ 1,608,319
Accounts Receivable:								
Federal	14,636	-	-	-	-	-	14,636	11,939
State	215	-	-	-	-	39,934	40,149	180
Other	17,852	479,889	255,490	2,830	140,635	-	896,696	904,337
Interfund Receivable	-	-	-	-	-	-	-	169,331
Prepaid Expenses	-	-	-	-	-	-	-	90
Inventory	17,000	-	-	-	-	-	17,000	15,563
<b>Total Current Assets</b>	<b>49,703</b>	<b>2,103,894</b>	<b>430,949</b>	<b>20,185</b>	<b>140,635</b>	<b>63,049</b>	<b>2,808,415</b>	<b>2,709,759</b>
<b>Noncurrent Assets:</b>								
Land and Improvements	-	73,500	-	-	-	-	73,500	73,500
Building and Improvements	-	510,210	-	-	-	-	510,210	510,210
Machinery and Equipment	584,587	3,359,721	-	-	-	-	3,944,308	3,532,414
Less: Accumulated Depreciation	(401,756)	(2,006,656)	-	-	-	-	(2,408,412)	(2,312,598)
<b>Total Noncurrent Assets</b>	<b>182,831</b>	<b>1,936,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,119,606</b>	<b>1,803,526</b>
<b>Total Assets</b>	<b>232,534</b>	<b>4,040,669</b>	<b>430,949</b>	<b>20,185</b>	<b>140,635</b>	<b>63,049</b>	<b>4,928,021</b>	<b>4,513,285</b>
<b>LIABILITIES</b>								
<b>Current Liabilities:</b>								
Accounts Payable	869	30,572	6,161	13,770	956	-	52,328	37,030
Interfund Payable	191,950	-	267,091	-	82,263	-	541,304	169,331
Other Current Liabilities	-	-	-	-	-	-	-	5,706
Current Portion of Lease Obligations	-	258,271	-	-	-	-	258,271	244,111
<b>Total Current Liabilities</b>	<b>192,819</b>	<b>288,843</b>	<b>273,252</b>	<b>13,770</b>	<b>83,219</b>	<b>-</b>	<b>851,903</b>	<b>456,178</b>
<b>Noncurrent Liabilities:</b>								
Lease Obligations	-	138,034	-	-	-	-	138,034	122,970
Compensated Absences	11,020	169,154	-	-	-	-	180,174	193,296
<b>Total Noncurrent Liabilities</b>	<b>11,020</b>	<b>307,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,208</b>	<b>316,266</b>
<b>Total Liabilities</b>	<b>203,839</b>	<b>596,031</b>	<b>273,252</b>	<b>13,770</b>	<b>83,219</b>	<b>-</b>	<b>1,170,111</b>	<b>772,444</b>
<b>NET POSITION</b>								
Invested in Capital Assets:								
Net of Related Debt	182,831	1,540,470	-	-	-	-	1,723,301	1,436,445
Unrestricted	(154,136)	1,904,168	157,697	6,415	57,416	63,049	2,034,609	2,304,396
<b>Total Net Position</b>	<b>\$ 28,695</b>	<b>\$ 3,444,638</b>	<b>\$ 157,697</b>	<b>\$ 6,415</b>	<b>\$ 57,416</b>	<b>\$ 63,049</b>	<b>\$ 3,757,910</b>	<b>\$ 3,740,841</b>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	FOOD SERVICE	TRANSPORTATION	ITINERANT/ SHARED SERVICES	SCHOOLS TO CAREERS	COUNTY PROGRAMS	STATE PROGRAMS	2013	2012
Operating Revenues:								
Charges for Services:								
Daily Sales	\$ 273,208	\$ -	\$ -	\$ 31,139	\$ -	\$ -	\$ 304,347	\$ 251,792
Transportation Fees	-	7,988,914	-	-	-	-	7,988,914	8,379,071
Fees for Service	-	-	2,989,122	-	-	79,868	3,068,990	2,699,378
County Aid Payments	-	-	-	-	471,091	-	471,091	402,072
<b>Total Operating Revenue</b>	<b>273,208</b>	<b>7,988,914</b>	<b>2,989,122</b>	<b>31,139</b>	<b>471,091</b>	<b>79,868</b>	<b>11,833,342</b>	<b>11,732,313</b>
Operating Expenses:								
Cost of Sales	227,917	-	-	-	-	-	227,917	261,973
Salaries and Wages	227,257	2,777,988	2,196,597	31,183	355,451	53,035	5,641,511	5,610,591
Employee Benefits	163,646	2,524,636	1,248,802	-	73,484	23,664	4,034,232	3,722,933
Travel	-	-	181	-	2,067	-	2,248	1,938
General Supplies	18,211	-	-	-	10,615	-	28,826	5,799
Other Purchased Services	762	56,646	41,154	-	-	-	98,562	25,060
Transportation Operations	-	893,562	-	-	-	-	893,562	972,699
Contracted Services	-	1,100,671	-	-	-	-	1,100,671	1,107,596
Depreciation Expense	38,880	353,758	-	-	-	-	392,638	353,368
Miscellaneous	5,185	7,488	-	-	6,648	-	19,321	8,462
<b>Total Operating Expenses</b>	<b>681,858</b>	<b>7,714,749</b>	<b>3,486,734</b>	<b>31,183</b>	<b>448,265</b>	<b>76,699</b>	<b>12,439,488</b>	<b>12,070,439</b>
<b>Operating Income/(Loss)</b>	<b>(408,650)</b>	<b>274,165</b>	<b>(497,612)</b>	<b>(44)</b>	<b>22,826</b>	<b>3,169</b>	<b>(606,146)</b>	<b>(338,126)</b>
Nonoperating Revenues (Expenses):								
State Sources:								
State School Lunch Program	2,641	-	-	-	-	-	2,641	2,880
Federal Sources:								
School Breakfast Program	62,678	-	-	-	-	-	62,678	68,943
National School Lunch Program	115,628	-	-	-	-	-	115,628	119,293
Food Distribution Program	14,557	-	-	-	-	-	14,557	17,588
Interest Expense	-	(10,847)	-	-	-	-	(10,847)	(13,101)
Cancellation of Prior Year Payables	-	2,608	-	-	-	-	2,608	779
Adjustment to Capital Assets	38,716	258,108	-	-	-	-	296,824	-
<b>Total Nonoperating Revenue (Expenses)</b>	<b>234,220</b>	<b>249,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>484,089</b>	<b>196,382</b>
Other Financing Sources/(Uses):								
Contract Budget Guarantee	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-
Operating Transfers In/(Out)	139,126	-	-	-	-	-	139,126	215,544
<b>Total Other Financing Sources/(Uses)</b>	<b>139,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,126</b>	<b>215,544</b>
Change in Net Position	(35,304)	\$24,034	(497,612)	(44)	22,826	3,169	17,069	73,800
Total Net Position - Beginning	63,999	2,920,604	655,309	6,459	34,590	59,880	3,740,841	3,667,041
<b>Total Net Position - Ending</b>	<b>\$ 28,695</b>	<b>\$ 3,444,638</b>	<b>\$ 157,697</b>	<b>\$ 6,415</b>	<b>\$ 57,416</b>	<b>\$ 63,049</b>	<b>\$ 3,757,910</b>	<b>\$ 3,740,841</b>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	FOOD SERVICE	ITINERANT/ SHARED SERVICES	SCHOOLS TO CAREERS PROGRAMS	COUNTY PROGRAMS	STATE PROGRAMS	2013	2012
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 266,313	\$ 7,975,302	\$ 3,077,816	\$ 388,319	\$ 79,868	\$ 11,820,027	\$ 11,971,008
Payments to Employees	(227,257)	(2,791,110)	(2,196,597)	(355,451)	(53,035)	(5,654,633)	(5,602,569)
Payments for Employee Benefits	(163,646)	(2,524,636)	(1,248,802)	(73,484)	(23,664)	(4,034,232)	(3,722,933)
Payments to Suppliers	(238,643)	(2,020,776)	(36,715)	(18,374)	-	(2,334,601)	(2,408,782)
Net Cash Provided/(Used) by Operating Activities	(363,233)	638,780	(404,298)	(58,990)	3,169	(203,439)	236,724
Cash Flows From Capital Financing Activities							
Purchase of Equipment	-	-	-	-	-	-	-
Interest Paid	-	(10,847)	-	-	-	(10,847)	-
Principal Paid on Lease Obligations	-	(393,766)	-	-	-	(393,766)	(391,326)
Net Cash Provided by Capital Financing Activities	-	(404,613)	-	-	-	(404,613)	(391,326)
Cash Flows From Noncapital Financing Activities							
Cash Received From State & Federal Program:	178,215	-	-	-	(18,978)	159,237	178,997
Operating Subsidiaries and Transfers from/(to) Other Funds	185,018	169,331	267,091	58,990	-	680,430	214,614
Net Cash Provided by Noncapital Financing Activities	363,233	169,331	267,091	58,990	(18,978)	839,667	393,611
Net Increase/(Decrease) in Cash & Cash Equivalents	-	403,498	(137,207)	(18,867)	(15,809)	231,615	239,009
Balances - Beginning of Year	-	1,220,507	312,666	36,222	38,924	1,608,319	1,369,310
Balances - Ending of Year	\$ -	\$ 1,624,005	\$ 175,459	\$ 17,355	\$ 23,115	\$ 1,839,934	\$ 1,608,319
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>							
Operating Income (Loss)	\$ (408,650)	\$ 274,165	\$ (497,612)	\$ (44)	\$ 22,826	\$ (606,146)	\$ (351,227)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities							
Depreciation Expense	38,880	353,758	-	-	-	392,638	353,368
Food Distribution Program	14,557	-	-	-	-	14,557	17,588
Change in Assets & Liabilities							
(Increase)/Decrease in Accounts Receivable	(6,895)	(13,612)	88,694	1,270	(82,772)	(13,315)	238,695
(Increase)/Decrease in Prepaid Expenses	90	-	-	-	-	90	(90)
(Increase)/Decrease in Inventory	(1,437)	-	-	-	-	(1,437)	14,451
Increase/(Decrease) in Accounts Payable	222	43,297	4,620	(20,093)	956	29,002	(15,848)
Increase/(Decrease) in Other Current Liabilities	-	(5,706)	-	-	-	(5,706)	1,160
Increase/(Decrease) in Compensated Absence:	-	(13,122)	-	-	-	(13,122)	(21,373)
Net Cash Provided/(Used) by Operating Activities	\$ (363,233)	\$ 638,780	\$ (404,298)	\$ (58,990)	\$ 3,169	\$ (203,439)	\$ 236,724

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2013  
 (With Comparative Totals for June 30, 2012)

ASSETS	PRIVATE PURPOSE			2013	2012
	UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS STUDENT ACTIVITY	PAYROLL		
Assets:					
Cash & Cash Equivalents	\$ 154,446	\$ 75,774	\$ 33,508	\$ 263,728	\$ 205,713
Due From Agency				-	
Total Assets	154,446	75,774	33,508	263,728	205,713
LIABILITIES					
Liabilities:					
Unemployment Claims Payable	38,919	-	-	38,919	3,995
Payroll Deductions & Withholdings	-	-	33,508	33,508	13,020
Due to Student Groups	-	75,774	-	75,774	76,559
Total Liabilities	38,919	75,774	33,508	148,201	93,574
NET POSITION					
Reserved	\$ 115,527	\$ -	\$ -	\$ 115,527	\$ 112,139

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	2013	2012
Additions:			
Local Sources:			
Employee Salary Deductions	\$ 40,999	\$ 40,999	\$ 35,427
Board Contribution	18,000	18,000	-
Total Operating Revenues	<u>58,999</u>	<u>58,999</u>	<u>35,427</u>
Other Sources:			
Interest on Investments	213	213	341
Total Additions	<u>59,212</u>	<u>59,212</u>	<u>35,768</u>
Deductions:			
Unemployment Compensation Insurance Claims	55,824	55,824	11,005
Miscellaneous	-	-	133
Total Deductions	<u>55,824</u>	<u>55,824</u>	<u>11,138</u>
Change in Net Position	3,388	3,388	24,630
Net Position, July 1	<u>112,139</u>	<u>112,139</u>	<u>87,509</u>
Net Position, June 30	<u>\$ 115,527</u>	<u>\$ 115,527</u>	<u>\$ 112,139</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Student Activities Fund	\$ 76,559	\$ 102,940	\$ 103,725	\$ 75,774
Total Student Activity	\$ 76,559	\$ 102,940	\$ 103,725	\$ 75,774

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 13,020	\$ 6,863,072	\$ 6,842,584	\$ 33,508
Total Assets	\$ 13,020	\$ 6,863,072	\$ 6,842,584	\$ 33,508
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 13,020	\$ 6,863,072	\$ 6,842,584	\$ 33,508
Total Liabilities	\$ 13,020	\$ 6,863,072	\$ 6,842,584	\$ 33,508

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I. Long-Term Debt

Not Applicable

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**STATISTICAL SECTION (Unaudited)**

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 22,911,095	\$ 22,859,252	\$ 23,554,439	\$ 24,384,588	\$ 25,095,099	\$ 25,881,453	\$ 26,168,488	\$ 26,832,193	\$ 27,360,252	\$ 27,604,500
Restricted	431,660	351,949	220,876	282,157	189,785	91,657	31,812	955,931	157,332	307,656
Unrestricted	2,805,165	3,119,820	4,063,779	3,502,274	3,433,760	1,400,018	2,731,409	1,827,395	2,787,499	2,566,316
Total Governmental Activities	\$ 26,147,920	\$ 26,331,021	\$ 27,839,094	\$ 28,169,019	\$ 28,718,644	\$ 27,373,128	\$ 28,931,709	\$ 29,615,519	\$ 30,305,083	\$ 30,478,472
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,119,606	\$ 1,436,445	\$ 1,398,487	\$ 1,395,560	\$ 1,282,907	\$ 1,310,824	\$ 1,370,104	\$ 1,468,824	\$ 1,804,238	\$ 2,063,241
Restricted								1,389,604	597,623	624,616
Unrestricted	1,638,304	2,304,396	2,268,554	3,208,924	4,002,781	3,514,536	2,482,583			
Total Business-Type Activities	\$ 3,757,910	\$ 3,740,841	\$ 3,667,041	\$ 4,604,484	\$ 5,285,688	\$ 4,825,360	\$ 3,852,687	\$ 2,858,428	\$ 2,401,861	\$ 2,687,857
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 25,030,701	\$ 24,295,697	\$ 24,952,926	\$ 25,780,148	\$ 26,378,006	\$ 27,192,277	\$ 27,538,592	\$ 28,301,017	\$ 29,164,490	\$ 29,667,741
Restricted	431,660	351,949	220,876	282,157	189,785	91,657	31,812	2,345,535	754,955	932,272
Unrestricted	4,443,469	5,424,216	6,332,333	6,711,198	7,436,541	4,914,554	5,213,992	1,827,395	2,787,499	2,566,316
Total District-Wide Net Position	\$ 29,905,830	\$ 30,071,862	\$ 31,506,135	\$ 32,773,503	\$ 34,004,332	\$ 32,198,488	\$ 32,784,396	\$ 32,473,947	\$ 32,706,944	\$ 33,166,329

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Special Educational Instructor	\$ 7,601,339	\$ 11,219,541	\$ 11,149,057	\$ 11,576,216	\$ 11,357,883	\$ 12,178,605	\$ 11,605,225	\$ 10,225,318	\$ 9,943,597	\$ 9,140,777
Other	769,477	1,151,081	1,103,773	1,087,259	997,651	837,669	829,755	828,315	786,832	750,387
Support Services:										
Student & Instruction Related Services	3,011,649	4,212,370	4,251,924	4,333,611	3,949,841	3,996,715	3,877,206	3,593,111	3,615,080	3,555,280
General Administrative Services	604,907	899,144	1,090,686	1,497,142	1,433,617	1,526,928	1,468,481	1,262,042	1,100,890	1,053,223
School Administrative Services	1,089,890	1,632,110	1,601,949	912,734	970,627	899,442	936,755	883,176	868,122	799,312
Plant Operations & Maintenance	775,391	2,327,684	2,196,979	2,137,797	2,169,675	2,044,254	2,058,520	2,518,188	2,253,149	3,559,862
Pupil Transportation	38,272	44,453	56,145	61,297	51,088	46,257	80,109	49,498	36,344	26,767
Unallocated Benefits	6,734,753	-	-	-	-	-	-	-	-	-
Capital Outlay	-	32,246	-	2,067	232	2,443	13,932	-	-	-
Unallocated Depreciation	916,307	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	21,541,985	21,518,629	21,450,513	21,608,123	20,930,614	21,532,313	20,869,983	19,359,648	18,604,014	18,885,608
Business-Type Activities:										
Food Service	681,858	718,931	673,023	669,690	663,687	674,572	643,922	632,269	623,917	611,816
Transportation	7,725,596	7,575,920	7,022,680	6,780,310	7,109,580	6,971,980	6,448,539	4,896,803	4,765,543	4,562,390
Instruction	4,042,881	3,788,689	3,234,016	3,334,699	3,204,979	2,290,254	2,371,551	4,105,467	4,279,220	4,206,992
Total Business-Type Activities Expense	12,450,335	12,083,540	10,929,719	10,784,699	10,978,246	9,936,806	9,464,012	9,634,539	9,668,680	9,381,198
<b>Total District Expenses</b>	<b>\$ 33,992,320</b>	<b>\$ 33,602,169</b>	<b>\$ 32,380,232</b>	<b>\$ 32,392,822</b>	<b>\$ 31,908,860</b>	<b>\$ 31,469,119</b>	<b>\$ 30,333,995</b>	<b>\$ 28,994,187</b>	<b>\$ 28,272,694</b>	<b>\$ 28,266,806</b>
<b>Revenues:</b>										
Governmental Activities										
Charges for Services:										
Instruction (Tuition)	\$ 17,045,538	\$ 16,440,380	\$ 17,736,399	\$ 17,521,091	\$ 18,841,028	\$ 15,603,048	\$ 16,472,680	\$ 15,608,045	\$ 15,146,959	\$ 14,764,215
Operating Grants & Contributions	1,763,872	46,464	9,783	251,596	261,085	311,074	267,387	801,462	710,088	680,813
Total Governmental Activities Program Revenues	18,809,410	16,486,844	17,746,182	17,772,687	19,102,113	15,914,122	16,740,067	16,409,507	15,857,047	15,445,028
Business-Type Activities:										
Charges for Services:										
Food Service	273,208	251,792	257,233	251,918	266,283	265,261	255,956	244,643	253,566	168,035
Transportation	7,983,914	8,379,071	6,576,257	6,597,983	7,695,337	7,260,097	6,936,288	4,980,494	4,090,338	3,623,946
Instruction	3,571,220	3,101,450	2,867,591	2,888,119	3,086,847	3,064,372	2,903,702	4,546,736	4,660,801	4,488,548
Operating Grants and Contributions	195,504	208,704	215,087	231,675	235,763	211,948	203,712	229,233	209,893	219,662
Total Business-Type Activities Program Revenues	12,028,846	11,941,017	9,916,168	9,969,695	11,284,230	10,801,678	10,299,658	10,001,106	9,214,598	8,500,191
<b>Total District Program Revenues</b>	<b>\$ 30,838,256</b>	<b>\$ 28,427,861</b>	<b>\$ 27,662,350</b>	<b>\$ 27,742,382</b>	<b>\$ 30,386,343</b>	<b>\$ 26,715,800</b>	<b>\$ 27,039,725</b>	<b>\$ 26,410,613</b>	<b>\$ 25,071,645</b>	<b>\$ 23,945,219</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (2,732,575)	\$ (5,031,785)	\$ (3,704,331)	\$ (3,835,436)	\$ (1,828,501)	\$ (5,618,191)	\$ (4,129,916)	\$ (2,950,141)	\$ (2,746,967)	\$ (3,440,580)
Business-Type Activities	(421,489)	(142,523)	(1,013,551)	(815,094)	305,984	864,872	835,646	366,567	(454,082)	(881,007)
<b>Total District-Wide Net Expense</b>	<b>\$ (3,154,064)</b>	<b>\$ (5,174,308)</b>	<b>\$ (4,717,882)</b>	<b>\$ (4,650,440)</b>	<b>\$ (1,522,517)</b>	<b>\$ (4,753,319)</b>	<b>\$ (3,294,270)</b>	<b>\$ (2,583,574)</b>	<b>\$ (3,201,049)</b>	<b>\$ (4,321,587)</b>

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	FISCAL YEAR ENDING JUNE 30									
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities										
Taxes - County Appropriations	2,039,796	1,999,800	1,980,000	1,980,000	1,980,000	1,920,000	1,854,000	1,800,000	1,746,880	1,746,880
Federal & State Aid - Not Restricted	215,658	1,623,163	1,316,894	1,293,710	1,219,541	1,471,192	1,472,193	-	-	-
Miscellaneous Income	432,343	108,554	145,046	79,491	85,904	224,737	218,813	550,574	916,662	600,631
Transfers	(139,126)	(215,544)	(74,340)	(128,078)	(117,503)	(107,801)	(98,900)	(90,000)	(90,000)	-
Contributed Services	-	-	-	-	-	535,000	-	-	-	-
Cancellation of Prior Year Payables	803	7,739	6,809	185	7,114	17,017	-	-	-	-
Loss on the Disposal of Fixed Assets	-	-	-	-	(1,039)	(535)	-	-	-	-
Adjustment to Capital Assets	-	-	-	60,503	-	-	-	-	-	-
<b>Total Governmental Activities:</b>	<b>2,549,474</b>	<b>3,523,712</b>	<b>3,374,409</b>	<b>3,285,811</b>	<b>3,174,017</b>	<b>4,059,610</b>	<b>3,446,106</b>	<b>2,260,574</b>	<b>2,573,542</b>	<b>2,347,511</b>
<b>Business-Type Activities:</b>										
Miscellaneous Income	-	779	1,768	5,722	36,841	-	-	-	78,086	247,724
Transfers	139,126	215,544	74,340	128,078	117,503	107,801	98,900	90,000	90,000	90,000
Cancellation of Prior Year Payables	2,608	-	-	-	-	-	-	-	-	-
Adjustment to Capital Assets	296,824	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities:</b>	<b>438,558</b>	<b>216,323</b>	<b>76,108</b>	<b>133,800</b>	<b>154,344</b>	<b>107,801</b>	<b>98,900</b>	<b>90,000</b>	<b>168,086</b>	<b>337,724</b>
<b>Total District-Wide:</b>	<b>\$ 2,988,032</b>	<b>\$ 3,740,035</b>	<b>\$ 3,450,517</b>	<b>\$ 3,419,611</b>	<b>\$ 3,328,361</b>	<b>\$ 4,167,411</b>	<b>\$ 3,545,006</b>	<b>\$ 2,350,574</b>	<b>\$ 2,741,628</b>	<b>\$ 2,685,235</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ (183,101)	\$ (1,508,073)	\$ (329,922)	\$ (549,625)	\$ 1,345,516	\$ (1,558,581)	\$ (683,810)	\$ (689,567)	\$ (173,425)	\$ (1,093,069)
Business-Type Activities	17,069	73,800	(937,443)	(681,204)	460,328	972,673	934,546	456,567	(285,996)	(543,283)
<b>Total District:</b>	<b>\$ (166,032)</b>	<b>\$ (1,434,273)</b>	<b>\$ (1,267,365)</b>	<b>\$ (1,230,829)</b>	<b>\$ 1,805,844</b>	<b>\$ (585,908)</b>	<b>\$ 250,736</b>	<b>\$ (233,000)</b>	<b>\$ (459,421)</b>	<b>\$ (1,636,352)</b>

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 FUND BALANCES AND GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved	\$ 431,660	\$ 1,365,844	\$ 2,165,853	\$ 282,157	\$ 189,785	\$ 91,657	\$ 30,866	\$ 739,139	\$ 313,019	\$ 777,411
Assigned	1,040,663	45,879	-	-	-	-	-	-	-	-
Unassigned	2,293,645	2,562,486	2,564,614	-	-	-	-	-	-	-
Unreserved	-	-	-	4,021,913	3,947,903	1,960,068	3,403,738	2,413,589	3,094,651	2,309
<b>Total General Fund</b>	<b>\$ 3,765,968</b>	<b>\$ 3,974,209</b>	<b>\$ 4,730,467</b>	<b>\$ 4,304,070</b>	<b>\$ 4,137,688</b>	<b>\$ 2,051,725</b>	<b>\$ 3,434,604</b>	<b>\$ 3,152,728</b>	<b>\$ 3,407,670</b>	<b>\$ 779,720</b>
All Other Governmental Funds:										
Assigned, Reported in:										
Capital Project Fund	\$ -	\$ -	\$ 98,922	\$ -	\$ 5,302	\$ 43,651	\$ 57,097	\$ 216,792	\$ 129,317	\$ 280,245
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 98,922</b>	<b>\$ -</b>	<b>\$ 5,302</b>	<b>\$ 43,651</b>	<b>\$ 57,097</b>	<b>\$ 216,792</b>	<b>\$ 129,317</b>	<b>\$ 280,245</b>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>										
County Appropriations	\$ 2,039,796	\$ 1,999,800	\$ 1,980,000	\$ 1,980,000	\$ 1,980,000	\$ 1,920,000	\$ 1,854,000	\$ 1,800,000	\$ 1,746,880	\$ 1,746,880
Tuition	17,045,538	16,334,305	17,647,674	17,392,609	18,663,965	15,603,048	16,472,680	15,608,045	15,146,959	14,764,215
Interest Earnings	7,631	769	187	2,067	232	1,451	240	399	608	-
Miscellaneous	441,731	251,526	243,367	217,815	262,735	266,354	256,282	525,506	644,507	600,630
State Sources	1,753,872	1,481,637	1,166,835	1,338,193	1,340,697	1,593,192	1,536,806	780,679	692,070	612,648
Federal Sources	208,639	150,324	150,059	195,204	139,929	146,006	164,119	20,783	18,017	68,165
<b>Total Revenue</b>	<b>21,497,207</b>	<b>20,218,361</b>	<b>21,188,122</b>	<b>21,125,888</b>	<b>22,387,558</b>	<b>19,530,051</b>	<b>20,284,127</b>	<b>18,735,412</b>	<b>18,249,041</b>	<b>17,792,538</b>
<b>Expenditures:</b>										
Instruction:										
Other Special Instruction	7,601,339	7,635,798	7,740,956	8,144,280	8,131,439	8,660,639	8,106,420	7,531,542	7,356,264	7,006,573
Other Instruction	769,477	783,403	766,366	764,925	714,247	595,696	579,596	601,031	581,703	568,770
Support Services:										
Student & Instruction Related	3,011,649	2,866,856	2,952,174	3,048,849	2,827,806	2,842,206	2,708,285	2,665,728	2,686,137	2,782,495
School Administrative	604,907	611,940	757,282	642,141	694,900	639,625	654,337	647,647	649,999	612,636
General Administrative	407,138	357,719	369,917	399,463	357,009	400,707	406,760	387,956	378,923	458,072
Central Services	682,752	733,063	742,340	688,275	669,359	685,146	618,996	612,504	571,736	400,945
Plant Operations & Maintenance	1,654,930	1,584,176	1,523,395	1,504,016	1,553,333	1,453,742	1,437,906	1,343,555	1,174,284	1,248,241
Pupil Transportation	38,272	30,253	38,981	43,125	36,576	32,895	55,957	49,497	36,344	26,768
Unallocated Employee Benefits	6,708,050	5,987,339	5,633,755	5,517,452	5,149,836	5,449,594	5,217,429	4,524,885	4,135,849	3,672,037
Capital Outlay	88,611	255,189	68,106	84,389	95,050	610,342	278,306	448,563	418,068	780,207
<b>Total Expenditures</b>	<b>21,567,125</b>	<b>20,865,736</b>	<b>20,595,272</b>	<b>20,836,915</b>	<b>20,229,555</b>	<b>21,370,592</b>	<b>20,063,992</b>	<b>18,812,908</b>	<b>17,989,307</b>	<b>17,556,744</b>
<b>Excess(Deficiency) of Revenues Over(Under) Expenditures</b>	<b>(69,918)</b>	<b>(647,375)</b>	<b>592,850</b>	<b>288,973</b>	<b>2,158,003</b>	<b>(1,840,541)</b>	<b>220,135</b>	<b>(77,496)</b>	<b>259,734</b>	<b>235,794</b>
<b>Other Financing Sources/(Uses):</b>										
Contributed Services	-	-	-	-	-	535,000	-	-	-	-
Cancellation of Prior Year Payables	803	7,739	6,809	185	7,114	17,017	-	-	-	-
Increase in Capital Reserve	-	75,000	75,000	156,749	100,000	-	-	-	-	-
Transfer to Capital Reserve	-	(75,000)	(75,000)	(100,000)	(100,000)	-	-	-	-	-
Transfer to Emergency Reserve	-	-	-	(56,749)	-	-	-	-	-	-
Transfers In	-	9,425	119,414	-	-	-	-	-	-	-
Transfers Out	(139,126)	(224,969)	(193,754)	(128,078)	(117,503)	(107,801)	(98,900)	(90,000)	(90,000)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(138,323)</b>	<b>(207,805)</b>	<b>(67,531)</b>	<b>(127,893)</b>	<b>(110,389)</b>	<b>444,216</b>	<b>(98,900)</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (208,241)</b>	<b>\$ (855,180)</b>	<b>\$ 525,319</b>	<b>\$ 161,080</b>	<b>\$ 2,047,614</b>	<b>\$ (1,396,325)</b>	<b>\$ 121,235</b>	<b>\$ (167,496)</b>	<b>\$ 169,734</b>	<b>\$ 235,794</b>

Source: District Records

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

<u>FISCAL YEAR</u> <u>ENDED JUNE 30.</u>	<u>INTEREST</u>	<u>NON-RESIDENT</u> <u>FEES</u>	<u>SHARED</u> <u>SERVICES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2013	\$ 7,631	\$ 129,518	\$ 111,281	\$ 183,913	\$ 432,343
2012	769	106,075	104,251	3,534	214,629
2011	187	-	-	243,367	243,554
2010	70,160	-	-	149,722	219,882
2009	52,088	-	-	210,879	262,967
2008	162,861	-	-	61,876	224,737
2007	201,916	-	-	15,951	217,867
2006	135,744	-	-	390,161	525,905
2005	67,071	-	-	578,043	645,114
2004	27,712	-	-	255,623	283,335

**Source: District Records**

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS**

FUNCTION/PROGRAM	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Instruction:</b>										
Regular	10	10	10	10	10	8	8	8	8	9
Special Education Instruction	61	59	57	57	57	60	58	62	64	58
Other Special Education Instruction	135	140	145	154	141	160	157	157	163	151
Other Instructional	5	4	5	6	5	6	6	9	9	9
Nonpublic School Programs			4	3	3	2	2	2	2	2
<b>Support Services:</b>										
Student & Instructional Related Services	45	45	43	48	44	43	46	48	47	47
General Administration Services	2	2	2	2	2	2	2	2	2	4
School Administration Services	8	8	9	10	10	10	9	9	9	9
Business Administrative Services	12	12	13	12	11	11	10	10	10	7
Plant Operations & Maintenance	14	18	17	16	17	16	16	11	10	11
Pupil Transportation	135	141	130	122	126	127	125	123	120	107
Food Service	9	9	9	9	9	9	8	8	9	9
<b>Total</b>	<b>436</b>	<b>448</b>	<b>444</b>	<b>449</b>	<b>435</b>	<b>454</b>	<b>447</b>	<b>449</b>	<b>453</b>	<b>423</b>

Source: District Records

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL / TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ENROLLMENT (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL				
2013	439	\$21,550,106	49,089	10.47%	71	6.2:1	6.2:1	6.2:1	389	-0.91%	89.63%	
2012	438	19,463,680	44,438	4.29%	59	7:1	7:1	438	400	-4.16%	91.32%	
2011	457	19,473,436	42,611	2.46%	57	8:1	8.5:1	457	413	-3.99%	90.37%	
2010	499	20,752,526	41,588	0.16%	57	8.6:1	8.8:1	476	426	-2.86%	89.50%	
2009	500	20,760,250	41,521	-6.60%	67	8:1	8:1	490	440	4.93%	89.80%	
2008	467	20,760,250	44,454	5.60%	60	8:1	8:1	467	427	-0.43%	91.43%	
2007	470	19,785,686	42,097	8.97%	72	8:1	8:1	469	427	-2.09%	91.04%	
2006	485	18,737,306	38,634	11.97%	62	8:1	8:1	479	425	-5.71%	88.73%	
2005	508	17,528,535	34,505	2.79%	64	8.2:1	8.3:1	508	467	-0.78%	91.93%	
2004	512	17,187,198	33,569	3.92%	58	8.6:1	8.7:1	512	465	-1.54%	90.82%	

Source: District Records

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Main Campus - Mays Landing (2003)	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000
Square Feet	508	508	508	508	508	508	508	508	508	508
Capacity (Students)	435	438	457	499	500	471	470	476	508	513
Enrollment										
Transportation - Mays Landing	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700
Square Feet										

Number of Schools at June 30, 2013:  
 Main Campus = 1  
 Other = 1

Source: District Records, ASSA

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

FISCAL YEAR	Mays Landing Campus
2013	\$ 484,235
2012	470,205
2011	637,223
2010	609,620
2009	629,165
2008	557,315
2007	551,285
2006	519,420
2005	506,802
2004	<u>507,735</u>
Total	<u>\$ 5,473,005</u>

Source: District records

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2013**

	COVERAGE	DEDUCTIBLE
<b>Commercial Package Policy:</b>		
Property, Inland Marine & Automobile Physical Damage:		
Limit of Liability - Per Occurance	98,816,831	5,000
Public Official Bonds:		
Treasurer f School Monies	260,000	
Public Agency Compliance Officer	75,000	
Comprehensive General Liability Coverage:		
Limit	31,000,000	
Electronic Data Processing	822,000	1,000
Package Police Crime Coverage	1,000,000	1,000
Board Member Accident:		
Limit of Liability	100,000	
Aggregate	250,000	
Student Accident (Compulsory):		
Maximum Benefit	1,000,000	
Student Accident (Catastrophic):		
Maximum Benefit	5,000,000	25,000
Volunteer Accident:		
Maximum Benefit	250,000	
Boiler and Machinery	100,000,000	5,000
Automobile Liability	31,000,000	
Standard Worker's Compensation & Employer's Liability Policy:		
Workers Compensation - Coverage A	Statutory	
Employee Liability Agreement - Converage B	2,000,000	
School Board Legal Liability:		
Coverage A	31,000,000	
Coverage B Each Occurance	100,000	5,000
Policy Period	300,000	5,000
Pollution Liability:		
Each Occurance	1,000,000	25,000
Policy Period	11,000,000	75,000

Source: District records

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

**INDEPENDENT AUDITORS' 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  
Atlantic County Special Services School District  
County of Atlantic  
Mays Landing, New Jersey 08330

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Atlantic County Special Service School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Atlantic County Special Service School District's basic financial statements, and have issued our report thereon dated October 23, 2013.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management of the Atlantic County Special Services 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 ALLISON, P.C.



Robert W. Allison  
Certified Public Accountant  
Public School Accountant  
No. 897

Freehold, New Jersey  
October 23, 2013



HOLMAN | FRENIA  
ALLISON, P.C.  
Certified Public Accountants & Consultants

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EXHIBIT K-2

**INDEPENDENT AUDITORS' INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY NEW  
JERSEY OMB CIRCULAR 04-04.**

Honorable President and Members  
of the Board of Education  
Atlantic County Special Services School District  
County of Atlantic  
Mays Landing, New Jersey 08330

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

We have audited Atlantic County Special Services School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2013. Atlantic County Special Services School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Atlantic County Special Services School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *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 Atlantic County Special Services School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Atlantic County Special Services School District's compliance with those requirements.

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

In our opinion, Atlantic County Special Services School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

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

Management of Atlantic County Special Services School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Atlantic County Special Services School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, 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 Atlantic County Special Services School District's internal control over compliance.

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

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

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

This report is intended for the information of the management of the Atlantic County Special Services 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 ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal stroke extending to the left.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant  
No. 897

Freehold, New Jersey  
October 23, 2013

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	RECEIVABLE JUNE 30, 2013	MEMO	
								ACCOUNTS RECEIVABLE	CUMULATIVE TOTAL
<b>State Department of Education:</b>									
General Fund:									
On-Behalf TPAF Contribution - Pension (Non-Budgeted)	13-495-034-5095-006	532,697	7/1/12-6/30/13	\$ -	\$ 532,697	\$ (532,697)	\$ -	\$ -	\$ 532,697
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)	13-495-034-5095-001	602,346	7/1/12-6/30/13	-	602,346	(602,346)	-	-	602,346
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	13-495-034-5095-002	618,829	7/1/12-6/30/13	-	588,514	(618,829)	(30,315)	-	618,829
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	12-495-034-5095-002	627,236	7/1/11-6/30/12	(30,829)	30,829	-	-	-	-
Total General Fund				(30,829)	1,754,386	(1,753,872)	(30,315)	-	1,753,872
<b>State Department of Agriculture:</b>									
Enterprise Fund:									
National School Lunch Program	13-100-010-3350-023	2,641	7/1/12-6/30/13	-	2,426	(2,641)	(215)	-	2,641
National School Lunch Program	12-100-010-3350-023	2,880	7/1/11-6/30/12	(180)	180	-	-	-	-
Total Enterprise Fund				(180)	2,606	(2,641)	(215)	-	2,641
Total State Financial Assistance				\$ (31,009)	\$ 1,756,992	\$ (1,756,513)	\$ (30,530)	\$ -	\$ 1,756,513
Less: Assistance Not Subject to New Jersey OMB Circular 04-04:									
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									532,697
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)									602,346
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04									\$ (621,470)

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2013**

**Note 1. General**

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education of the Atlantic County Special Services School District. 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.

**Note 2. Basis of Accounting**

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

**Note 3. Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedule 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 schedule 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*.

No adjustment is needed to reconcile from the budgetary basis to the GAAP basis. 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:

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2013

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

	<b>State</b>	<b>Total</b>
General Fund	\$ 1,753,872	\$ 1,753,872
Food Service Fund	2,641	2,641
	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 1,756,513</u>	<u>\$ 1,756,513</u>

**Note 4. Relationship to State Financial Reports**

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

**Note 5. Other**

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

**Note 6. State Loans Outstanding**

The Atlantic County Special Services School District had no loan balances outstanding at June 30, 2013.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Noncompliance material to basic financial statements noted?	None Noted

**State Awards**

Dollar threshold to distinguish between Type A programs:	\$300,000
Auditee qualified as low-risk?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	None Noted

Identification of major programs:

**GMIS Numbers(s)**

**Name of State Program**

13-495-034-5095-002

Reimbursed TPAF Social Security Contributions

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Section II - Financial Statement Findings**

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

No Current Year Findings.

**Section III - Federal Financial Assistance Findings & 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 04-04.

No Current Year Findings.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS & QUESTIONED  
COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and federal financial assistance 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)).

No Prior Year Findings.