

**BURLINGTON COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

Westampton, New Jersey
County of Burlington

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

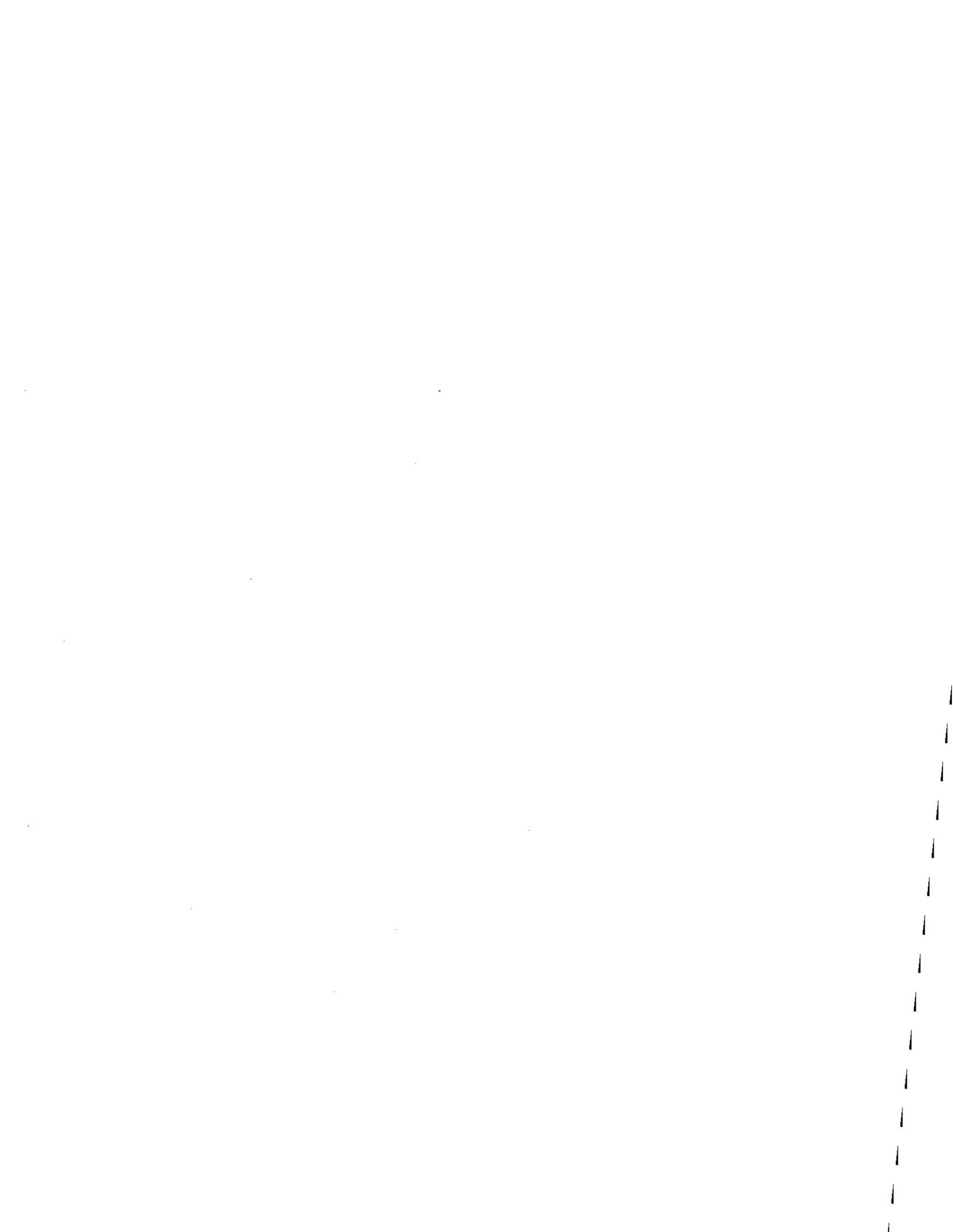
BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

**Burlington County Special Services School District
Finance Department**



OUTLINE OF CAFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditors' Report	8
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	11
BASIC FINANCIAL STATEMENTS	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	17
A-2 Statement of Activities	18
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	19
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	20
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
B-4 Statement of Net Position	22
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	23
B-6 Statement of Cash Flows	24
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	25
B-8 Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements	27
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	47
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	N/A
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	55
D. School Based Budget Schedules (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A

	PAGE
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	N/A
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	56
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	57
G-3 Combining Statement of Cash Flows	58
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	59
H-2 Combining Statement of Changes in Fiduciary Net Position	60
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	60
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	61
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	62
J-2 Changes in Net Position	63
J-3 Fund Balances - Governmental Funds	66
J-4 Changes in Fund Balance - Governmental Funds	67
J-5 Other Local Revenue by Source - General Fund	69
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	69
J-7 Direct & Overlapping Property Tax Rates	69
J-8 Principal Property Taxpayers	69
J-9 Property Tax Levies & Collections	70
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	70
J-11 Ratios of General Bonded Debt Outstanding	70
J-12 Direct & Overlapping Governmental Activities Debt	70
J-13 Legal Debt Margin Information	70
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	71
J-15 Principal Employers	71
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	72
J-17 Operating Statistics	73

	PAGE
J-18 School Building Information	74
J-19 Schedule of Required Maintenance	75
J-20 Insurance Schedule	76

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77
K-2 Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04	80
K-3 Schedule of Expenditures of Federal Awards, Schedule A	82
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	83
K-5 Notes to Schedules of Awards and Financial Assistance	84
K-6 Schedule of Findings & Questioned Costs	86
K-7 Summary Schedule of Prior Audit Findings	88

INTRODUCTORY SECTION





Burlington County Special Services School District

Dr. Donald P. Lucas
Superintendent

20 Pioneer Boulevard
Westampton, NJ 08060-3824
PHONE: 609-261-5600 • FAX: 609-261-5967

Theresa L. Margiotta
Business Administrator/ Board Secretary

October 7, 2013

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

Dear Board Members:

The comprehensive annual financial report of the Burlington County Special Services School 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. 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 result 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 organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, "Audits of States Local Governments and Non Profit Organizations", and the State of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grant and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Burlington County Special Services School District is an independent report entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Burlington County Special Services Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to special education students. The District completed the 2012-13 fiscal year with an enrollment of 775, which is 18 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eighteen years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-13	706.0	-8.95%
2011-12	775.4	-6.21%
2010-11	826.7	-5.39%
2009-10	873.8	-6.71%
2008-09	936.6	-8.72%
2007-08	1,026.1	-5.65%
2006-07	1,087.6	-3.26%
2005-06	1,124.3	-3.47%
2004-05	1,164.7	-4.71%
2003-04	1,222.3	-5.66%

2) ECOMONIC CONDITION AND OUTLOOK: For the past few years the economic downturn has been difficult for Burlington County school districts. A State cap of 2% on their budgets and a significant decrease in tax revenue has pressured the educational community, as a whole, to make cuts in staff and programs. Special Services, being unique in its funding sources, has made even greater cuts in capital improvements and health benefits to non certificated staff. If these conditions continue, it will cause the district to further scale down its educational program offerings and seek additional resources for funding.

3) 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 principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

4) 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 Estimate. Annual appropriated budgets are adopted for the general fund and 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 time basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

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

6) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund for the fiscal year ended June 30, 2013, and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2012</u>
Local Sources	\$41,676,804	90.42%	\$ 959,327
State Sources	4,214,711	9.14%	829,181
Federal Sources	199,916	.44%	157,831
Total	\$46,091,431	100.00%	\$1,946,339

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2013, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2012</u>
Current Expense:			
Instruction	\$16,002,153	36.69%	\$(1,291,522)
Other Special Instruction	121,249	.28%	11,717
Support Services & Undistributed Expenditures	27,493,060	63.03%	994,593
Total	\$43,616,462	100.00%	\$ (285,212)

7) DEBT ADMINISTRATION: None

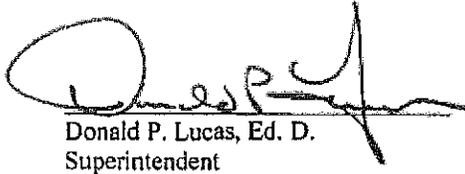
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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 property and contents, and fidelity bonds.

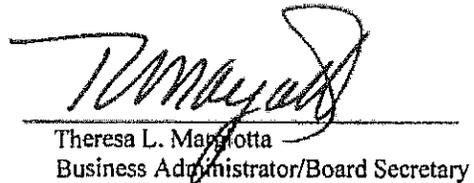
10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board to perform this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Circular A-133, "Audits of States Local Governments and Non Profit Organizations", and the state of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grant and State Aid Payments". The auditor's report on the basic financial statements and combining and individual fund statements and schedules are 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) ACKNOWLEDGMENT: We would like to express our appreciation to the members of the Burlington County Special Services Board of Education 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,

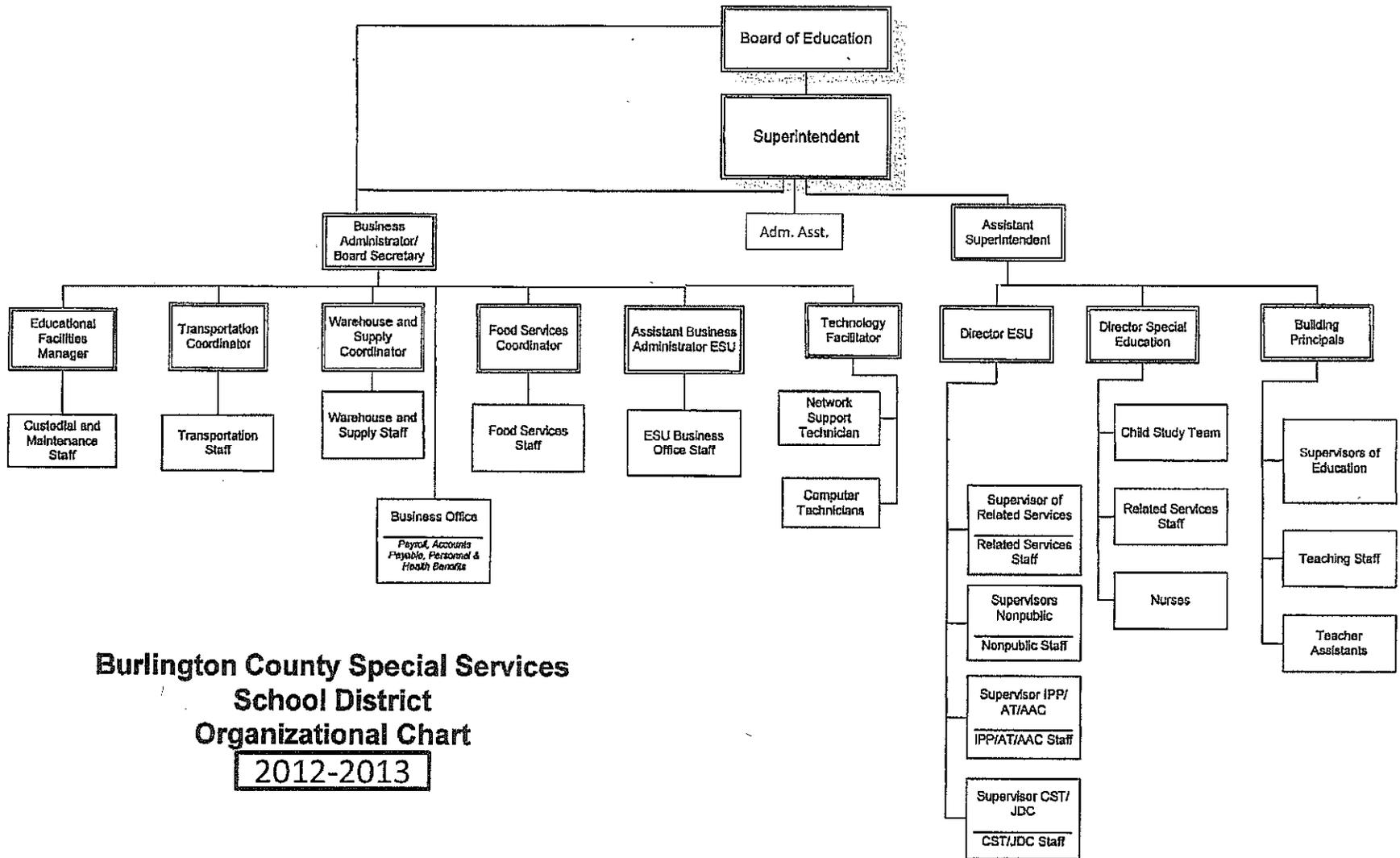


Donald P. Lucas, Ed. D.
Superintendent



Theresa L. Maggotta
Business Administrator/Board Secretary

5



**Burlington County Special Services
School District
Organizational Chart
2012-2013**



BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert C. Silcox, President	2015
Paula D. Lee, Vice President	2015
Leon E. Jones, Jr.	2014
Christopher Baxter	2013
Kathleen Burgess	2013
John J. Ferry	2014
Ms. Marie Goodwin, Interim Executive County Superintendent	Ex-Officio

OTHER OFFICIALS

Donald P. Lucas, Ed.D., Superintendent

Theresa L. Margiotta, Business Administrator/Board Secretary

James W. Wintrode, Assistant Business Administrator (Educational Services Unit)

Kelly Cox, Treasurer

Capehart & Scatchard, Solicitors

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

ARCHITECT

The Design Collaborative
414 Garden State Parkway, Suite 100
Cape May Court House, New Jersey 08210

AUDIT FIRM

Kevin Frenia, CPA, PSA
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Capehart & Scatchard, P.A.
8000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Susquehanna Bank
Lumberton, NJ 08048

FINANCIAL SECTION



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333

618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612

912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

795 Canton Street, Troy, PA 18947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable Chairperson and Members
of the Board of Directors
Burlington County Special Services School District
County of Burlington
Westampton, New Jersey 08060

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 Burlington County Special Services School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 of each major fund and the aggregate remaining fund information of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, 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 11 through 16 and 47 through 54 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 Burlington 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, long-term debt schedules 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 federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

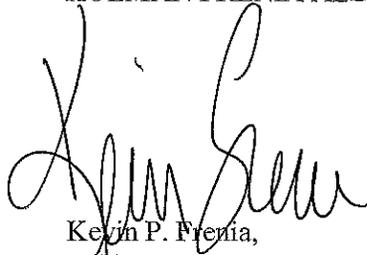
The introductory section, comparative totals for June 30, 2012, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2013 on our consideration of the Burlington 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 Burlington 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 "Kevin P. Frenia", written over a faint, illegible printed name.

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

Medford, New Jersey
October 7, 2013

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

**Burlington County Special Services School District, New Jersey
Management's Discussion & Analysis**

For the Fiscal Year Ended June 30, 2013

Unaudited

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013.

Financial Highlights

The District's net position increased based on current year's transactions by \$2,865,092. Charges for services accounted for \$17,023,435 or 26.80%, operating grants and contributions amount to \$3,313,217 or 5.22% and general revenues were \$43,194,729 or 67.99%.

The general fund reported a positive fund balance of \$5,855,494.

Using this Comprehensive Annual Financial Report

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

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on Page 19 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

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

Proprietary Funds

Proprietary funds use the accrual basis of accounting; the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government-wide statements.

Fiduciary Funds

The District is the trustee, or fiduciary, for its Donation Trust Fund and other items listed as private purpose trust. It is also responsible for other assets that, due to a trust arrangement, can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position and Changes in Fiduciary Net position on Pages 25 and 26. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9,570,968 at the close of the most recent fiscal year.

A portion of the District's net position in the amount of \$2,343,958 reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of fiscal year 2013:

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 3,355,106	\$ 41,095	\$ 3,396,201	\$ 2,581,952
Security Deposit		-	-	10,245
Prepaid Expenses		-	-	200
Other Receivables	-	132,122	132,122	182,291
Intergovernmental Accounts Receivables:			-	
Other	1,977,558	2,475,072	4,452,630	3,341,880
State	68,897	316	69,213	72,271
Federal	-	21,242	21,242	16,114
Inventory	-	22,801	22,801	27,963
Restricted Assets:			-	
Capital Reserve Account - Cash	1,506,836	-	1,506,836	1,501,971
Capital Assets, Net (Note 7):	2,225,940	118,018	2,343,958	2,085,205
Total Assets	9,134,337	2,810,666	11,945,003	9,820,092
LIABILITIES				
Cash Deficit	-	-	-	571,159
Accounts Payable	117,116	95,290	212,406	174,681
Other Payables	-	8,152	8,152	8,152
Deferred Revenue	935,787	-	935,787	1,117,930
Noncurrent Liabilities:			-	
Due Beyond One Year	1,217,690	-	1,217,690	1,242,294
Total Liabilities	2,270,593	103,442	2,374,035	3,114,216
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,225,940	118,018	2,343,958	2,085,205
Restricted for:				
Other Purposes	2,489,206	-	2,489,206	2,082,491
Unrestricted	2,148,598	2,589,206	4,737,804	2,538,180
Total Net Position	\$ 6,863,744	\$ 2,707,224	\$ 9,570,968	\$ 6,705,876

An additional portion of the District's net position \$1,506,836 represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing activities.

The District is able to report, this year as well as last year, positive balances in all three areas of net position, both for the government as a whole, as well as for its separate governmental and business type activities.

CHANGE IN NET POSITION

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
General Revenues:				
County Appropriation	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 4,800,000
Federal & State Aid Not Restricted	1,514,792	-	1,514,792	44,493
Tuition - LEAs	28,637,896	-	28,637,896	26,940,825
Other Tuition	7,496,846	-	7,496,846	8,489,849
Non Resident Fees	351,819	-	351,819	311,263
Miscellaneous Income	390,243	3,132	393,375	175,901
Transfers	(502,935)	502,935	-	-
Contributed Capital	486,311	-	486,311	(367)
Operating Grants & Contributions	2,899,835	413,382	3,313,217	3,805,588
Charges for Services	-	17,023,435	17,023,435	14,825,783
Total Revenues:	46,074,807	17,942,884	64,017,691	59,393,335
Expenditures:				
Special Education	16,002,153	-	16,002,153	17,293,675
Other Special Instruction	121,249	-	121,249	109,532
Support Services	27,493,060	-	27,493,060	26,495,812
Undistributed Costs	182,302	17,353,835	17,536,137	15,392,241
Total Expenditures	43,798,764	17,353,835	61,152,599	59,291,260
Change In Net Position	2,276,043	589,049	2,865,092	102,075
Beginning Net Position	4,587,701	2,118,175	6,705,876	6,603,801
Ending Net Position	\$ 6,863,744	\$ 2,707,224	\$ 9,570,968	\$ 6,705,876

Governmental Activities

Net position of the District's governmental activities increased by \$2,276,043. The increase was a result of a decrease in transfers to other funds. Unrestricted net position reflects a balance of \$2,148,598. The increase in net position is a result of current year activities.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities (amounts expressed in thousands). General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of the District's programs.

Program Expenses:

Instruction:	
Special Education	\$16,002,153
Other Special Instruction	121,249
Support Services:	
Student & Related Expenses	4,960,201
School Administrative Services	641,997
General & Business Services	2,650,522
Plant Operations & Maintenance	3,301,464
Pupil Transportation	304,342
Unallocated Benefits	12,734,699
Unallocated Compensated Absences	(24,604)
Fixed Asset Adjustments	(486,311)
Unallocated Depreciation	<u>206,906</u>
 Total Expenses	 <u>\$40,412,618</u>

The District's Funds

The District's governmental funds (as presented on the balance sheet on Page 19) reported a combined fund balance of \$5,855,494 which is greater than last year's total of \$3,883,460. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2013 and 2012.

	Fund Balance June 30, 2013	Fund Balance June 30, 2012	Increase (Decrease)
General Fund	<u>\$5,855,494</u>	<u>\$3,883,460</u>	<u>\$1,972,034</u>

General Fund

The District's general fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the general fund.

	2013 Amount	2012 Amount	Percentage Change
Revenues:			
County Appropriation	\$ 4,800,000	\$ 4,800,000	0.00%
Tuition Charges	36,134,742	35,430,674	1.99%
Non-Resident Fee	351,819	311,263	13.03%
Miscellaneous	390,243	175,540	122.31%
State Sources	4,214,711	3,385,530	24.49%
Federal Sources	<u>199,916</u>	<u>42,085</u>	<u>375.03%</u>
 Total	 <u>\$46,091,431</u>	 <u>\$44,145,092</u>	 <u>4.41%</u>

The total county appropriations revenue remained flat. Other Tuition revenue is up \$704,068. State and federal revenue is up \$829,181 and \$157,831 respectively for the fiscal year.

As the table below illustrates, the largest portions of governmental fund expenditures are for salaries and undistributed expenditures. The District is a service entity and as such is labor intensive.

	2013	2012	Percentage Change
Expenditures:			
Current:			
Special Education Instruction	\$16,002,153	\$17,293,675	(7.47)%
Other Special Instruction	121,249	109,532	(10.70)%
Support Services & Undistributed Costs:			
Undistributed Expenditures	<u>27,493,060</u>	<u>26,498,467</u>	<u>3.75%</u>
Total Expenditures	<u>\$43,616,462</u>	<u>\$43,901,674</u>	<u>(0.65)%</u>

Expenditures are down \$285,212 or (0.65%) over the prior year due to special education instruction decreases. Revenues exceeded expenditures during the fiscal year resulting in an increase to fund balance in the amount of \$1,972,034.

General Fund Budget Information

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

Capital Assets

The District has \$2,343,958 invested in capital assets net of depreciation. The majority of the acquisitions were for transportation vehicles throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 7).

Debt

Under the statutes, which created the School District, any debt service requirements for the School District are provided by the Board of Chosen Freeholders.

Factors Expected to Have an Effect on Future Operations

Over the past few years the district has experienced an enrollment decline which reflects the local school districts holding students in district to avoid the out of district placement costs. The pattern has been that many school districts are attempting to provide more programs for the students that we traditionally serve. To meet these challenges, we have restructured our programs and enhanced our autistic center to meet the demand for student placement with this educational handicap.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED 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	\$ 3,355,106	\$ 41,095	\$ 3,396,201	\$ 2,581,952
Security Deposit	-	-	-	10,245
Prepaid Expenses	-	-	-	200
Other Receivables	-	132,122	132,122	182,291
Intergovernmental Accounts Receivables:				
Other	1,977,558	2,475,072	4,452,630	3,341,880
State	68,897	316	69,213	72,271
Federal	-	21,242	21,242	16,114
Inventory	-	22,801	22,801	27,963
Restricted Assets:				
Capital Reserve Account - Cash	1,506,836	-	1,506,836	1,501,971
Capital Assets, Net (Note 7):	2,225,940	118,018	2,343,958	2,085,205
Total Assets	9,134,337	2,810,666	11,945,003	9,820,092
LIABILITIES				
Cash Deficit	-	-	-	571,159
Accounts Payable	117,116	95,290	212,406	174,681
Other Payables	-	8,152	8,152	8,152
Deferred Revenue	935,787	-	935,787	1,117,930
Noncurrent Liabilities:				
Due Beyond One Year	1,217,690	-	1,217,690	1,242,294
Total Liabilities	2,270,593	103,442	2,374,035	3,114,216
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,225,940	118,018	2,343,958	2,085,205
Restricted for:				
Other Purposes	2,489,206	-	2,489,206	2,082,491
Unrestricted	2,148,598	2,589,206	4,737,804	2,538,180
Total Net Position	\$ 6,863,744	\$ 2,707,224	\$ 9,570,968	\$ 6,705,876

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

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

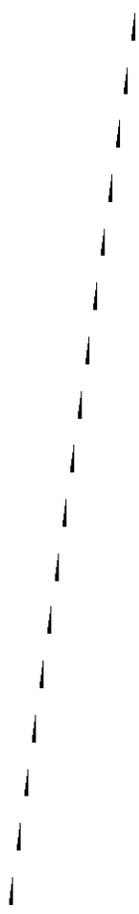
FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2013	JUNE 30, 2012
Governmental Activities:							
Instruction:							
Special Education	\$ 16,002,153	-	-	\$ (16,002,153)	\$ -	\$ (16,002,153)	\$ (17,293,675)
Other Special Instruction	121,249	-	-	(121,249)	-	(121,249)	(109,532)
Support Services:							
Student & Instruction Related Services	4,960,201	-	-	(4,960,201)	-	(4,960,201)	(4,860,196)
School Administrative Services	641,997	-	-	(641,997)	-	(641,997)	(652,508)
General & Business Administrative Services	2,650,522	-	-	(2,650,522)	-	(2,650,522)	(2,488,553)
Plant Operations & Maintenance	3,301,464	-	-	(3,301,464)	-	(3,301,464)	(3,002,177)
Pupil Transportation	304,342	-	-	(304,342)	-	(304,342)	(150,239)
Unallocated Benefits	15,634,534	-	2,899,835	(12,734,699)	-	(12,734,699)	(11,959,017)
Unallocated Compensated Absences	(24,604)	-	-	24,604	-	24,604	(47,167)
Unallocated Depreciation	206,906	-	-	(206,906)	-	(206,906)	(215,000)
Adjustment to Fixed Assets	-	-	-	-	-	-	172,641
Contributed Capital Adjustment	(486,311)	-	-	486,311	-	486,311	67,328
Total Governmental Activities	43,312,453	-	2,899,835	(40,412,618)	-	(40,412,618)	(40,538,095)
Business-Type Activities:							
Food Service	1,303,635	354,212	335,547	-	(613,876)	(613,876)	(379,472)
School Store	87,318	9,091	-	-	(78,227)	(78,227)	13,319
Educational Services	14,602,528	15,190,132	77,835	-	665,439	665,439	244,359
VQ/CA	1,360,354	1,470,000	-	-	109,646	109,646	-
Total Business-Type Activities	17,353,835	17,023,435	413,382	-	82,982	82,982	(121,794)
Total Primary Government	\$ 60,666,288	\$ 17,023,435	\$ 3,313,217	(40,412,618)	82,982	(40,329,636)	(40,659,889)
General Revenues:							
County Appropriation				4,800,000	-	4,800,000	4,800,000
Federal & State Aid Not Restricted				1,514,792	-	1,514,792	44,493
Tuition - LEAs				28,637,896	-	28,637,896	26,940,825
Other Tuition				7,496,846	-	7,496,846	8,489,849
Non Resident Fees				351,819	-	351,819	311,263
Miscellaneous Income				390,243	2,706	392,949	175,901
Transfers				(502,935)	502,935	-	-
Gain/(Loss) on Adjustment to Fixed Assets				-	427	427	(367)
Total General Revenues, Special Items, Extraordinary Items & Transfers				42,688,661	506,068	43,194,729	40,761,964
Change In Net Position				2,276,043	589,050	2,865,093	102,075
Beginning Net Position				4,587,701	2,118,175	6,705,876	6,603,801
Ending Net Position				\$ 6,863,744	\$ 2,707,225	\$ 9,570,969	\$ 6,705,876

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

B. Fund Financial Statements



Governmental Funds



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	GENERAL FUND	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 3,355,106	\$ 3,355,106	\$ 2,457,403
Cash & Cash Equivalents - Capital Reserve	1,506,836	1,506,836	1,501,971
Intergovernmental Accounts Receivable: Other	1,977,558	1,977,558	1,065,091
State	68,897	68,897	72,032
	<u>\$ 6,908,397</u>	<u>\$ 6,908,397</u>	<u>\$ 5,096,497</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 85,264	\$ 85,264	\$ 135,433
Intergovernmental Accounts Payable	31,852	31,852	2,209
Deferred Revenue	935,787	935,787	1,075,395
	<u>1,052,903</u>	<u>1,052,903</u>	<u>1,213,037</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	1,506,836	1,506,836	1,501,971
Assigned to:			
Other Purposes	982,370	982,370	580,520
Unassigned:			
General Fund	3,366,288	3,366,288	1,800,969
	<u>5,855,494</u>	<u>5,855,494</u>	<u>3,883,460</u>
Total Liabilities & Fund Balances	<u>\$ 6,908,397</u>		
Amounts reported for governmental activities in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$6,322,043 and the accumulated depreciation is \$4,096,103.			
		\$ 2,225,940	\$ 1,946,535
Long term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			
		<u>(1,217,690)</u>	<u>(1,242,294)</u>
Net Position of Governmental Activities		<u>\$ 6,863,744</u>	<u>\$ 4,587,701</u>

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

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

	GENERAL FUND	TOTALS	
		JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Revenues:			
County Appropriation	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000
Tuition Charges	28,637,896	28,637,896	26,940,825
Other Tuition	7,496,846	7,496,846	8,489,849
Nonresident Fees	351,819	351,819	311,263
Miscellaneous	390,243	390,243	175,540
State Sources	4,214,711	4,214,711	3,385,530
Federal Sources	199,916	199,916	42,085
Total Revenues	46,091,431	46,091,431	44,145,092
Expenditures:			
Current:			
Special Education Instruction	16,002,153	16,002,153	17,293,675
Other Special Instruction	121,249	121,249	109,532
Support Services & Undistributed Costs:			
Student & Instruction Related Services	4,960,201	4,960,201	4,860,196
School Administrative Services	641,997	641,997	652,508
Other Administrative Services	2,350,522	2,350,522	2,188,553
Plant Operations & Maintenance	3,301,464	3,301,464	3,004,832
Pupil Transportation	304,342	304,342	150,239
Capital Outlay	300,000	300,000	300,000
Unallocated Benefits	15,634,534	15,634,534	15,342,139
Total Expenditures	43,616,462	43,616,462	43,901,674
Excess/(Deficiency) of Revenues Over Expenditures	2,474,969	2,474,969	243,418
Other Financing Sources/(Uses):			
Transfers	-	-	(1,441,168)
Contribution to Food Service	(502,935)	(502,935)	(355,856)
Total Other Financing Sources & Uses	(502,935)	(502,935)	(1,797,024)
Net Change in Fund Balances	1,972,034	1,972,034	(1,553,606)
Fund Balance - July 1	3,883,460	3,883,460	5,437,066
Fund Balance - June 30	\$ 5,855,494	\$ 5,855,494	\$ 3,883,460

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

**BURLINGTON 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)	\$	1,972,034
---	----	-----------

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:

Additions	\$	486,311	
Depreciation Expense		<u>(206,906)</u>	279,405

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year Compensated Absences		1,242,294	
Current Year Compensated Absences		<u>(1,217,690)</u>	<u>24,604</u>

Change in Net Position of Governmental Activities	\$	<u><u>2,276,043</u></u>
---	----	-------------------------

Proprietary Funds

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINED STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	TOTALS	
						JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Current Assets:							
Cash & Cash Equivalents	\$ -	\$ -	\$ 96,749	\$ -	\$ 109,646	\$ 206,395	\$ 124,549
Security Deposit	-	-	-	-	-	-	10,245
Prepaid Expenses	-	-	-	-	-	-	200
Interfund Receivable	131,951	-	-	171	-	132,122	182,291
Receivable:							
State	316	-	-	-	-	316	239
Federal	21,242	-	-	-	-	21,242	16,114
Other	-	-	-	2,475,072	-	2,475,072	2,276,789
Inventories	14,350	7,576	875	-	-	22,801	27,963
Total Current Assets	167,859	7,576	97,624	2,475,243	109,646	2,857,948	2,638,390
Fixed Assets:							
Equipment	321,779	-	1,527	382,416	-	705,722	707,412
Less: Accumulated Depreciation	(207,517)	-	(1,527)	(378,660)	-	(587,704)	(568,742)
Total Fixed Assets	114,262	-	-	3,756	-	118,018	138,670
Total Assets	282,121	7,576	97,624	2,478,999	109,646	2,975,966	2,777,060
LIABILITIES							
Cash Deficit	59,130	15,491	-	90,679	-	165,300	571,159
Accounts Payable	51,377	8,758	-	35,155	-	95,290	37,039
Interfund Payables	-	8,152	-	-	-	8,152	8,152
Deferred Revenue	-	-	-	-	-	-	42,535
Total Liabilities	110,507	32,401	-	125,834	-	268,742	658,885
NET POSITION							
Unrestricted	57,352	(24,825)	97,624	2,349,409	109,646	2,589,206	1,979,505
Investment in Capital Assets	-	-	-	-	-	-	-
Net of Related Debt	114,262	-	-	3,756	-	118,018	138,670
Total Net Position	\$ 171,614	\$ (24,825)	\$ 97,624	\$ 2,353,165	\$ 109,646	\$ 2,707,224	\$ 2,118,175

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

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

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>					<u>TOTALS</u>		
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY		SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	(MEMORANDUM ONLY)	
		FOOD SERVICE FUND	FOOD SERVICE FUND				JUNE 30, 2013	JUNE 30, 2012
OPERATING REVENUES								
Local Sources:								
Daily Sales - Reimbursable Programs:								
School Lunch & Breakfast Programs	\$ 75,257	\$ -	\$ -	\$ -	\$ -	\$ 75,257	\$ 83,123	
Daily Sales - Nonreimbursable Programs	69,030	59,042	-	-	-	128,072	148,148	
Special Functions	95,314	8,010	-	-	-	103,324	121,535	
Fees for Services	-	-	-	15,190,132	-	15,190,132	14,421,452	
Other Revenue	47,548	11	-	-	1,470,000	1,517,559	35,115	
Sale of Merchandise	-	-	9,091	-	-	9,091	16,410	
Total Operating Revenue	287,149	67,063	9,091	15,190,132	1,470,000	17,023,435	14,825,783	
OPERATING EXPENSES								
Salaries & Wages	734,683	35,638	-	8,675,657	1,360,354	10,806,332	8,973,561	
Purchased Professional Services	92,451	-	-	541,032	-	633,483	508,810	
Telephone/Communication/Postage	-	-	-	52,822	-	52,822	16,565	
Purchased Services - Transportation	-	-	-	5,092,175	-	5,092,175	5,092,001	
Repairs	5,208	-	-	-	-	5,208	31,901	
Supplies & Materials	75,562	5,953	-	37,017	-	118,532	82,559	
Travel	-	-	-	20,854	-	20,854	16,905	
Training & Seminars	-	-	-	-	-	-	10,749	
Other Objects	-	-	-	-	-	-	166,680	
Depreciation	11,970	-	-	9,109	-	21,079	22,340	
Miscellaneous Expenditures	32,146	2,564	-	173,862	-	208,572	65,268	
Cost of Sales	254,520	52,940	87,318	-	-	394,778	382,704	
Total Operating Expenses	1,206,540	97,095	87,318	14,602,528	1,360,354	17,353,835	15,370,043	
Operating Gain\ (Loss)	(919,391)	(30,032)	(78,227)	587,604	109,646	(330,400)	(544,260)	
Nonoperating Revenues:								
State Sources:								
State School Lunch Program	4,389	-	-	-	-	4,389	4,654	
Extended School Nutrition Program	-	-	-	-	-	-	313	
Federal Source:								
School Breakfast Program	105,354	-	-	-	-	105,354	99,548	
National School Lunch Program	187,804	-	-	-	-	187,804	193,325	
Extended School Nutrition Program	-	-	-	-	-	-	19,123	
Healthy Hunger-Free Kids Act	4,433	-	-	-	-	4,433	-	
Food Distribution Program	33,567	-	-	-	-	33,567	22,326	
Other Sources:								
BCIP Inclusion Project	-	-	-	59,245	-	59,245	58,616	
Crisis Response	-	-	-	18,590	-	18,590	18,150	
Interest Income	280	-	500	1,925	-	2,705	361	
Operating Transfer In/(Out) General								
Fund Board Contribution	502,935	-	-	-	-	502,935	1,797,024	
Due from General Fund	-	-	-	-	-	-	-	
Contributed Capital	-	-	-	-	-	-	6,411	
Gain/(Loss) on Adjustment to Fixed Assets	6,411	(5,984)	-	-	-	427	(367)	
Total Nonoperating Revenues/Expenses	845,173	(5,984)	500	79,760	-	919,449	2,219,484	
Change in Net Position	(74,218)	(36,016)	(77,727)	667,364	109,646	589,049	1,675,224	
Total Net Position - Beginning	245,832	11,191	175,351	1,685,801	-	2,118,175	442,951	
Total Net Position - Ending	\$ 171,614	\$ (24,825)	\$ 97,624	\$ 2,353,165	\$ 109,646	\$ 2,707,224	\$ 2,118,175	

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

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

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND					TOTALS	
	HUMAN SERVICES					(MEMORANDUM ONLY)	
	FOOD SERVICE FUND	FOOD SERVICE FACILITY FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	JUNE 30, 2013	JUNE 30, 2012
Cash Flows From Operating Activities:							
Receipts from Customers	\$ 289,183	\$ 68,909	\$ 59,091	\$ 14,945,603	\$ 1,470,000	\$ 16,832,786	\$ 14,568,887
Payments to Employees	(734,683)	-	-	(8,675,657)	(1,360,354)	(10,770,694)	(8,973,561)
Payments to Suppliers	(407,336)	(84,276)	(87,391)	(5,909,201)	-	(6,488,204)	(6,458,443)
Net Cash Provided/(Used) by Operating Activities	(852,836)	(15,367)	(28,300)	360,745	109,646	(426,112)	(863,117)
Cash Flows From Noncapital Financing Activities:							
State Sources	4,312	-	-	-	-	4,312	5,600
Federal Sources	326,030	-	-	-	-	326,030	370,807
Other Sources	-	-	-	77,835	-	77,835	76,766
Operating Subsidies & Transfers to Other Funds	502,935	-	-	-	-	502,935	1,797,024
Net Cash Provided/(Used) by Noncapital Financing Activities	833,277	-	-	77,835	-	911,112	2,250,197
Cash Flows From Investing Activities:							
Interest & Dividends	280	-	500	1,925	-	2,705	361
Net Cash Provided/(Used) by Investing Activities	280	-	500	1,925	-	2,705	361
Net Increase/(Decrease) in Cash & Cash Equivalents	(19,279)	(15,367)	(27,800)	440,505	109,646	487,705	1,387,441
Balances - Beginning of Year	(39,851)	(124)	124,549	(531,184)	-	(446,610)	(1,834,051)
Balances - End of Year	\$ (59,130)	\$ (15,491)	\$ 96,749	\$ (90,679)	\$ 109,646	\$ 41,095	\$ (446,610)

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

Operating Income/(Loss)	\$ (919,391)	\$ (30,032)	\$ (78,227)	\$ 587,604	\$ 109,646	\$ (330,400)	\$ (544,260)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:							
Depreciation & Net Amortization (Increase)/Decrease in Accounts Receivable, Net	11,970	-	-	9,109	-	21,079	22,340
(Increase)/Decrease in Inventories	2,034	1,846	50,000	(201,994)	-	(148,114)	(243,131)
Increase/(Decrease) in Deferred Revenue	1,174	4,061	(73)	-	-	5,162	(1,947)
(Increase)/Decrease in Prepaid Expenses	-	-	-	(42,535)	-	(42,535)	(13,765)
(Increase)/Decrease in Security Deposit	-	-	-	200	-	200	(200)
Increase/(Decrease) in Accounts Payable	-	-	-	10,245	-	10,245	-
Increase/(Decrease) in Accounts Payable	51,377	8,758	-	(1,884)	-	58,251	(82,154)
Total Adjustments	66,555	14,665	49,927	(226,859)	-	(95,712)	(318,857)
Net Cash Provided/(Used) by Operating Activities	\$ (852,836)	\$ (15,367)	\$ (28,300)	\$ 360,745	\$ 109,646	\$ (426,112)	\$ (863,117)

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

Fiduciary Fund

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS (MEMORANDUM ONLY)	
	DONATION TRUST	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL FUND	JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 75,309	\$ 6,125	\$ 328,592	\$ 493,499	\$ 903,525	\$ 874,352
Interfund Receivable	-	-	125,000	-	125,000	125,000
Total Assets	75,309	6,125	453,592	493,499	1,028,525	999,352
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	329,793	329,793	320,142
Interfunds Payable	-	-	-	163,706	163,706	163,706
Payable to Student Groups	-	-	453,592	-	453,592	413,092
Total Liabilities	-	-	453,592	493,499	947,091	896,940
NET POSITION						
Reserved for Unemployment Claims	-	6,125	-	-	6,125	6,106
Reserved for Students	75,309	-	-	-	75,309	96,306
Total Net Position	\$ 75,309	\$ 6,125	\$ -	\$ -	\$ 81,434	\$ 102,412

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

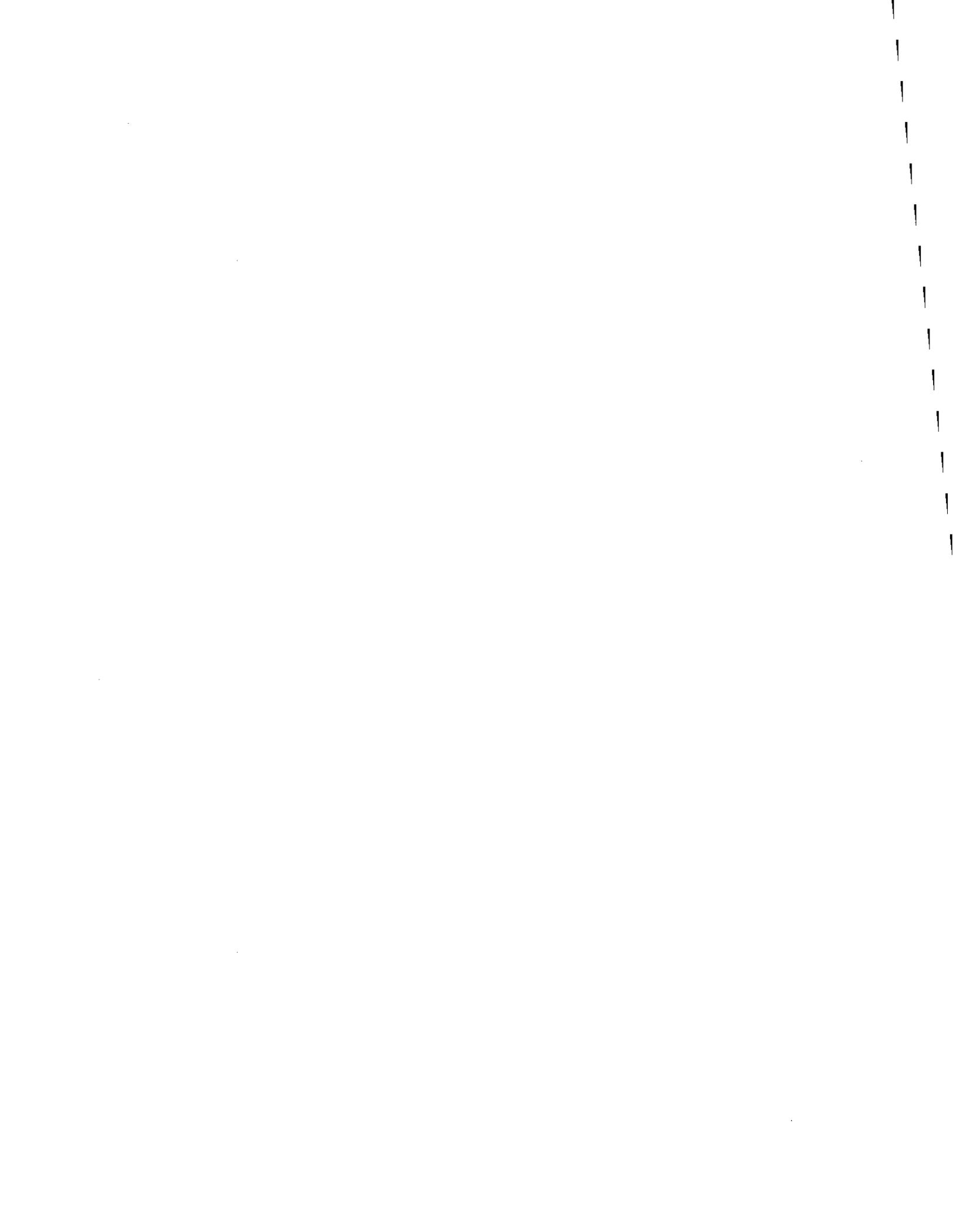
	PRIVATE PURPOSE		TOTALS	
	DONATION TRUST	UNEMPLOYMENT TRUST	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
ADDITIONS				
Donations	\$ -	\$ -	\$ -	\$ 31,600
Total Contributions	-	-	-	31,600
Interest Earnings	287	19	306	37
Total Additions	287	19	306	31,637
DEDUCTIONS				
Transfers Out	21,284	-	21,284	-
Total Deductions	21,284	-	21,284	-
Change in Net Position	(20,997)	19	(20,978)	31,637
Net Position - Beginning of the Year	96,306	6,106	102,412	70,775
Net Position - End of the Year	\$ 75,309	\$ 6,125	\$ 81,434	\$ 102,412

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013



BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Burlington 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. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards beginning with 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, 2013.

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 Burlington County Special Services School District is a Special Services District located in the County of Burlington, State of New Jersey. As a Special Services District, the School District functions independently through a Board of Education. The Board is comprised of six members appointed to three-year terms. These terms are staggered so that two members’ terms expire each year. In addition, the County Superintendent serves as an ex-officio member. The purpose of the School District is to provide programs adapted to each student’s unique needs and abilities. Focusing on students’ capabilities, the District provides specialized academic instructional approaches, a carefully planned sequence of career development experiences, physical education, and recreational activities combined with the specialized

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

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

therapeutic interventions needed to assure that each child reaches full potential. By carefully structuring each student's program on an individual basis, the District strives to have each student become a productive, self-sufficient member of the community. The Burlington County Special Services School District has an approximate enrollment at June 30, 2013 of 775 students.

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

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

Based on the aforementioned criteria, the District has no component units. However, The Burlington County Special Services School District is a component unit of the County of Burlington as described in Governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discreetly present as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

B. District-Wide and Fund Financial Statements

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

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

Net positions are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

B. District-Wide and Fund Financial Statements (continued):

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

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

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

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 Burlington 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:

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

Governmental Funds

General Fund - The general fund is the general operating fund of the Burlington 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 noninstructional equipment which are classified in the Capital Outlay sub-fund.

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

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

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund, the Human Services Facility Food Service Fund, the School Store Fund, the Educational Services Unit and the VQ/CA Fund.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

Proprietary Fund (continued):

All Proprietary funds are accounted for on a flow of economic recovery. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into investment in capital assets net of related debt and unrestricted net position.

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

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

Food Service Fund:	
Equipment	12 Years
Light Trucks & Vehicle	4 Years
Heavy Trucks & Vehicle	6 Years

Fiduciary Fund

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

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

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

E. Basis of Accounting

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

E. Basis of Accounting

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 reserved and unreserved 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.

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

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

F. Budgets/Budgetary Control (continued):

Annual appropriated budgets are prepared in the spring of each year for the general fund. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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 reference in *N.J.A.C.6:20-2A.2(m)1*. Transfers of appropriations may be made by Burlington County Special Services School District resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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.

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 Burlington 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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 three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 have been established and the District has billed/paid the school boards that have adjustments.

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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

L. Fixed Assets

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business type activities columns in the district-wide financial statements. Fixed assets are defined by 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 prior to June 30, 1995 were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the equalized valuation basis and through estimation procedures performed by an independent appraisal company, respectively.

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

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

N. Compensated Absences (continued):

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

In proprietary funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

O. Deferred Revenue

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

P. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the noncurrent liabilities under due beyond one year.

Q. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Burlington 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

Q. Fund Equity (continued):

The Burlington 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 Burlington County Special Services School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

R. County Agreement

All capital projects that are funded through Burlington County are considered County Fixed Assets and not the District's fixed assets. The County assumes all the long-term debt obligations associated with the capital projects.

S. Subsequent Events:

Burlington County Special Services School District has evaluated subsequent events occurring after June 30, 2013 through the date of October 7, 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 and held at June 30, 2013, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 5,806,562
Total Deposits	<u>\$ 5,806,562</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 4,861,942
Business-Type Activities	41,095
Fiduciary Funds	<u>903,525</u>
Total Cash and Cash Equivalents	<u>\$ 5,806,562</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 2. Cash and Cash Equivalents (continued):

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District does have a deposit policy for custodial credit risk. As of June 30, 2013, the District’s bank balance of \$9,439,810 was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the District’s Name Under GUDPA (See Note 3)	<u>9,189,810</u>
Total	<u>\$9,439,810</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2013 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

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

Note 4. Capital Reserve Account

A capital reserve account was established by the Burlington County Special Services School District by inclusion of \$500.00 on November 29, 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	\$1,501,971
Interest Earnings	<u>4,865</u>
Ending Balance, June 30, 2013	<u>\$1,506,836</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 is \$4,016,000. This plan has yet to receive State approval.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2013, the District transferred \$801,200 to the capital outlay accounts.

Note 6. Inventory

Inventory in the Enterprise Funds at June 30, 2013 consisted of the following:

Food Service Fund – Food Supplies	\$14,350
Human Services Facility – Food Supplies	7,576
School Store – Clothing & Other Resale Items	<u>875</u>
 Total	 <u>\$22,801</u>

Note 7. Fixed Assets

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year-ended June 30, 2013:

	June 30, 2012	Additions	Deletions	Adjustments	June 30, 2013
Machinery & Equipment	\$ 5,835,732	\$ 486,311	\$ -	\$ -	\$ 6,322,043
Subtotal	5,835,732	486,311	-	-	6,322,043
Accumulated Depreciation	<u>(3,889,197)</u>	<u>(206,906)</u>	-	-	<u>(4,096,103)</u>
Total	<u>\$ 1,946,535</u>	<u>\$ 279,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,225,940</u>

The following schedule is a summary of the proprietary fund type fixed assets at June 30, 2013:

	June 30, 2012	Additions	Deletions	Adjustments	June 30, 2013
Machinery & Equipment	\$ 707,412	\$ -	\$ -	\$ (1,690)	\$ 705,722
Subtotal	707,412	-	-	(1,690)	705,722
Accumulated Depreciation	<u>(568,742)</u>	<u>(21,079)</u>	-	2,117	<u>(587,704)</u>
Total	<u>\$ 138,670</u>	<u>\$ (21,079)</u>	<u>\$ -</u>	<u>\$ 427</u>	<u>\$ 118,018</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 8. Long-Term Debt

Long-term obligations at June 30, 2013 and changes for the fiscal year then ended are as follows:

	Balance June 30, 2012	Decreased	Balance June 30, 2013
Compensated Absences Payable	<u>\$1,242,294</u>	<u>(\$24,604)</u>	<u>\$1,217,690</u>

Note 9. 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

Note 9. Pension Plans (continued):

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A. 43: 15A* and *43.3B* and *N.J.S.A. 18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

Significant Legislation – During the year-ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year-ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

Note 9. Pension Plans (continued):

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 cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 1,209,733	100%	\$ -
6/30/2012	1,254,072	100%	-
6/30/2011	1,246,153	100%	-

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 2,801,668	100%	-
6/30/2012	1,925,479	100%	-
6/30/2011	1,375,824	100%	-

During the year ended June 30, 2013 the State of New Jersey contributed \$2,801,668 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$1,413,043 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 10. 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.

Note 11. Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after fifteen years of service. The amount at June 30, 2013 is \$1,217,690.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013 no liability existed for compensated absences in the proprietary fund types.

Note 12. Deferred Compensation

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

The Equitable
Lincoln Investments Planning, Inc.
The Vanguard Group

TD Bank
Washington National

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

Note 13. Risk Management

The Burlington County Special Services School 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; legal liability; worker’s compensation and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage (Exhibit J-20) can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

Fiscal Year	District Contributions	Amount Reimbursed	Ending Balance
2012-2013	None	None	\$6,125
2011-2012	None	None	6,106
2010-2011	None	None	6,103

Joint Insurance Pool – The School District is a member of the South Jersey Schools Health Benefits Program, currently administered by AmeriHealth Insurance Company of New Jersey. Benefits provided by the Program for the School District are comprehensive major medical and prescription drugs.

The Program’s Administrator determines annual contributions to the Program. The School District is jointly and personally liable for claims insured by the program and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Program’s Administrator may authorize refunds to its members for surplus monies.

Note 14. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 85,264
Trust & Agency Fund	125,000	163,706
Proprietary Fund	132,122	8,152
	<hr/>	<hr/>
Total	\$ 257,122	\$ 257,122
	<hr/>	<hr/>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 15. 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:

	General Fund	Proprietary Funds	Total
State	\$ 68,897	\$ 316	\$ 69,213
Federal	-	21,242	21,242
Other	1,977,558	2,475,072	4,452,630
Total	<u>\$ 2,046,455</u>	<u>\$ 2,496,630</u>	<u>\$ 4,543,085</u>

Note 16. Fund Balance Disclosures

General Fund – of the \$5,855,494 General Fund fund balance at June 30, 2013, \$1,506,836 has been restricted for the Capital Reserve Account; \$982,370 is assigned to other purposes and \$3,366,288 is unassigned.

Note 17. Litigation

The Board is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules



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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:											
Local Sources:											
County Appropriations	10-1210	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 4,800,000	\$ -	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 4,800,000	\$ -
Tuition - LEAs	10-1310	29,559,840	-	29,559,840	28,637,896	(921,944)	28,594,647	-	28,594,647	26,940,825	(1,653,822)
Other Tuition	10-1320-1340	2,738,940	-	2,738,940	7,496,846	4,757,906	-	-	-	8,489,849	8,489,849
Nonresident Fees	10-1350	242,500	-	242,500	351,819	109,319	374,000	-	374,000	311,263	(62,737)
Interest Earned on Capital Reserve	10-1XXX	11,000	-	11,000	4,865	(6,135)	11,000	-	11,000	701	(10,299)
Miscellaneous	10-1XXX	3,560,000	-	3,560,000	385,378	(3,174,622)	7,545,760	-	7,545,760	174,839	(7,370,921)
Total Local Sources		40,912,280	-	40,912,280	41,676,804	764,524	41,325,407	-	41,325,407	40,717,477	(607,930)
State Sources:											
Nonbudgeted:											
Reimbursed TPAF Post-Retirement Medical Contributions		-	-	-	1,314,876	1,314,876	-	-	-	-	-
Reimbursed TPAF Pension Contributions		-	-	-	1,486,792	1,486,792	-	-	-	1,925,479	1,925,479
Reimbursed TPAF Social Security Contributions		-	-	-	1,413,043	1,413,043	-	-	-	1,457,643	1,457,643
Other State Aid	10-3XXX	-	-	-	-	-	-	-	-	2,408	2,408
Total State Sources		-	-	-	4,214,711	4,214,711	-	-	-	3,385,530	3,385,530
Federal Sources:											
Special Education Aid - Medicaid Initiative	11-4200-000	150,000	-	150,000	199,916	49,916	109,000	-	109,000	42,085	(66,915)
Total Federal Services		150,000	-	150,000	199,916	49,916	109,000	-	109,000	42,085	(66,915)
Total Revenues		41,062,280	-	41,062,280	46,091,431	5,029,151	41,434,407	-	41,434,407	44,145,092	2,710,685
Expenditures:											
Current Expense:											
Special Education - Instruction:											
Behavioral Disabilities:											
Salaries of Teachers	11-209-100-101	2,533,597	(407,438)	2,126,159	2,126,058	101	3,644,841	(215,813)	3,429,028	3,428,391	637
Other Salaries for Instruction	11-209-100-106	1,099,564	(195,800)	903,764	900,673	3,091	1,401,375	(70,915)	1,330,460	1,326,954	3,506
Purchased Professional Education Services	11-209-100-320	-	-	-	-	-	2,000	(2,000)	-	-	-
Other Purchased Services	11-209-100-500	73,115	50,302	123,417	112,782	10,635	73,948	7,101	81,049	66,049	15,000
General Supplies	11-209-100-610	187,169	(5,548)	181,621	175,139	6,482	175,448	10,142	185,590	160,647	24,943
Textbooks	11-209-100-640	32,129	(3,050)	29,079	29,058	21	16,176	(7,300)	8,876	8,656	220
Total Behavioral Disabilities		3,925,574	(561,534)	3,364,040	3,343,710	20,330	5,313,788	(278,785)	5,035,003	4,990,697	44,306

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	4,418,822	(66,517)	4,352,305	4,339,790	12,515	4,307,383	29,455	4,336,838	4,331,345	5,493
Other Salaries for Instruction	11-212-100-106	2,675,216	118,550	2,793,766	2,782,541	11,225	2,647,363	14,780	2,662,143	2,661,398	745
Purchased Technical Services	11-212-100-340	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	11-212-100-500	86,540	10,889	97,429	86,549	10,880	78,605	(12,650)	65,955	59,348	6,607
General Supplies	11-212-100-610	163,246	127,522	290,768	252,458	38,310	146,795	7,873	154,668	123,340	31,328
Textbooks	11-212-100-640	6,900	(3,100)	3,800	2,941	859	-	-	-	-	-
Total Multiple Disabilities		7,350,724	187,344	7,538,068	7,464,279	73,789	7,180,146	39,458	7,219,604	7,175,431	44,173
Autism:											
Salaries of Teachers	11-214-100-101	1,393,167	(167,200)	1,225,967	1,224,953	1,014	1,295,769	14,550	1,310,319	1,309,954	365
Other Salaries for Instruction	11-214-100-106	1,749,419	(116,550)	1,632,869	1,632,138	731	1,400,564	199,740	1,600,304	1,600,282	22
Other Purchased Services	11-214-100-500	111,503	(19,000)	92,503	86,697	5,806	87,431	(3,126)	84,305	83,943	362
General Supplies	11-214-100-610	68,407	61,382	129,789	127,930	1,859	45,787	624	46,411	37,473	8,938
Total Autism		3,322,496	(241,368)	3,081,128	3,071,718	9,410	2,829,551	211,788	3,041,339	3,031,652	9,687
Preschool Disabilities -Full-Time:											
Salaries of Teachers	11-216-100-101	260,642	110,600	371,242	370,541	701	325,783	(61,815)	263,968	263,665	303
Other Salaries for Instruction	11-216-100-106	268,431	(74,050)	194,381	193,973	408	254,895	(29,100)	225,795	225,111	684
Other Purchased Services	11-216-100-500	1,951	100	2,051	604	1,447	1,588	2,449	4,037	3,652	385
General Supplies	11-216-100-610	20,213	16,283	36,496	33,084	3,412	23,067	(950)	22,117	18,040	4,077
Total Preschool Disabilities - Full-Time		551,237	52,933	604,170	598,202	5,968	605,333	(89,416)	515,917	510,468	5,449
Home Instruction:											
Salaries of Teachers	11-219-100-101	5,000	-	5,000	3,961	1,039	10,000	(1,550)	8,450	8,432	18
Total Home Instruction		5,000	-	5,000	3,961	1,039	10,000	(1,550)	8,450	8,432	18
Extended School Year:											
Salaries of Teachers	11-221-100-101	499,498	(55,000)	444,498	443,611	887	493,404	(33,700)	459,704	459,641	63
Other Salaries for Instruction	11-221-100-106	289,854	(4,000)	285,854	285,499	355	284,771	(600)	284,171	284,092	79
General Supplies	11-221-100-610	1,500	-	1,500	1,500	-	5,000	(4,000)	1,000	-	1,000
Total Extended School Year		790,852	(59,000)	731,852	730,610	1,242	783,175	(38,300)	744,875	743,733	1,142

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Cognitive Severe:											
Salaries of Teachers	11-222-100-101	478,573	(100,800)	377,773	377,320	453	387,814	82,982	470,796	470,549	247
Other Salaries for Instruction	11-222-100-106	360,795	7,450	368,245	367,133	1,112	447,572	(94,967)	352,605	347,967	4,638
Other Purchased Services	11-222-100-500	300	150	450	165	285	1,800	1,000	2,800	2,246	554
General Supplies	11-222-100-610	16,400	31,177	47,577	45,055	2,522	16,773	(3,429)	13,344	12,500	844
Total Cognitive-Severe		856,068	(62,023)	794,045	789,673	4,372	853,959	(14,414)	839,545	833,262	6,283
Total Special Education		16,801,951	(683,648)	16,118,303	16,002,153	116,150	17,575,952	(171,219)	17,404,733	17,293,675	111,058
School Sponsored Cocurricular Activities:											
Salaries (Stipends)	11-401-100-100	135,000	(16,000)	119,000	118,066	934	100,000	5,500	105,500	105,309	191
Other Purchased Services	11-401-100-500	3,000	500	3,500	1,979	1,521	3,000	3,000	3,000	2,875	125
Supplies and Materials	11-401-100-600	2,000	(500)	1,500	1,204	296	3,000	(1,600)	1,400	1,348	52
Total School Sponsored Cocurricular Activities		140,000	(16,000)	124,000	121,249	2,751	103,000	6,900	109,900	109,532	368
Total Instruction		16,941,951	(699,648)	16,242,303	16,123,402	118,901	17,678,952	(164,319)	17,514,633	17,403,207	111,426
Undistributed Expenditures:											
Community Services:											
Salaries	11-800-330-100	19,100	(400)	18,700	14,650	4,050	7,900	8,400	16,300	16,270	30
Supplies and Materials	11-800-330-600	500	400	900	900	900	1,500	(1,000)	500	386	114
Total Community Services		19,600	-	19,600	14,650	4,950	9,400	7,400	16,800	16,656	144
Health Services:											
Salaries	11-000-213-100	590,598	(52,000)	538,598	537,933	665	564,312	19,900	584,212	583,762	450
Purchased Professional Services	11-000-213-300	18,000	1,154	19,154	18,023	1,131	16,000	-	16,000	14,847	1,153
Other Purchased Services	11-000-213-500	700	-	700	554	146	583	-	583	544	39
Supplies and Materials	11-000-213-600	14,465	-	14,465	14,446	19	18,207	(434)	17,773	17,226	547
Other Objects	11-000-213-800	-	-	-	-	-	505	-	505	380	125
Total Health Services		623,763	(50,846)	572,917	570,956	1,961	599,607	19,466	619,073	616,759	2,314

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Related Services											
Services:											
Salaries	2,190,533	(145,000)	2,045,533	2,044,114	1,419	2,252,908	(166,600)	2,086,308	2,086,047	261	
Purchased Prof Services	11-000-216-300	45,000	45,000	45,000	-	25,000	25,000	25,000	20,938	4,062	
Supplies & Materials	11-000-216-600	13,156	-	13,156	12,955	10,041	(500)	9,541	8,639	902	
Total Other Related Services	2,203,689	(100,000)	2,103,689	2,102,069	1,620	2,262,949	(142,100)	2,120,849	2,115,624	5,225	
Other Support Services - Students - Special											
Services:											
Salaries of Other Professional Staff	11-000-219-104	-	212,449	212,449	-	202,248	6,050	208,298	208,264	34	
Salaries of Secretarial & Clerical Assistants	11-000-219-105	230,730	25,000	255,730	250,469	5,261	(5,204)	225,911	225,750	161	
Other Salaries	11-000-219-110	1,352,757	(22,300)	1,330,457	1,330,119	338	(72,701)	1,314,443	1,314,072	371	
Purchased Ed Services	11-000-219-320	44,300	44,300	44,250	50	30,106	30,106	30,106	-	-	
Purchased Technical Services	11-000-219-390	63,000	(23,802)	39,198	33,243	5,955	11,200	33,950	29,752	4,198	
Other Purchased Services	11-000-219-500	3,500	(290)	3,210	3,169	1,600	2,846	4,446	2,558	1,888	
Supplies & Materials	11-000-219-600	19,030	(484)	18,546	15,398	3,148	(2,791)	15,786	15,528	258	
Other Objects	11-000-219-800	5,525	774	6,299	6,236	2,850	879	3,729	3,684	45	
Total Other Support Services - Students - Special Services	1,886,991	23,198	1,910,189	1,895,333	14,856	1,854,734	(18,065)	1,836,669	1,829,714	6,955	
Improvement of Instruction Services/Other											
Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	135,719	9,000	144,719	141,374	3,345	133,058	-	133,058	133,058	-
Salaries of Other Professional Staff	11-000-221-104	32,000	2,650	34,650	34,608	42	(5,000)	27,000	25,138	1,862	
Salaries of Secretarial & Clerical Assistants	11-000-221-105	55,120	1,000	56,120	55,970	150	-	53,389	53,389	-	
Other Purchased Services	11-000-221-500	31,500	40,950	72,450	71,319	1,131	(6,325)	25,175	21,187	3,988	
Supplies and Materials	11-000-221-600	3,000	5,800	8,800	7,129	1,671	(800)	2,200	1,936	264	
Other Objects	11-000-221-800	5,200	-	5,200	5,191	9	5,200	1,300	6,293	207	
Total Improvement of Instruction Services/Other Support Services Instructional Staff	262,539	59,400	321,939	315,591	6,348	258,147	(10,825)	247,322	241,001	6,321	
Instructional Staff Training Services:											
Salaries of Other Professional Staff	11-000-223-104	5,000	-	5,000	4,863	137	5,000	600	5,600	5,600	-
Other Purchased Services	11-000-223-500	74,550	(25,337)	49,213	48,511	702	(13,775)	28,475	26,685	1,790	
Supplies and Materials	11-000-223-600	10,000	(1,772)	8,228	8,228	-	4,000	9,000	8,157	4,843	
Total Instructional Staff Training Services	89,550	(27,109)	62,441	61,602	839	51,250	(4,175)	47,075	40,442	6,633	

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services General Administration:											
Salaries	11-000-230-100	181,970	28,700	210,670	197,511	13,159	270,688	(45,500)	225,188	200,287	24,901
Legal Services	11-000-230-331	45,000	1,500	46,500	19,349	27,151	45,000	(1,711)	43,289	18,948	24,341
Audit Fees	11-000-230-332	43,000	30,900	73,900	41,810	32,090	42,000	4,000	46,000	20,495	25,505
Other Purchased Professional Services	11-000-230-339	25,500	3,000	28,500	26,073	2,427	25,000	4,200	29,200	29,148	52
Communications/Telephone	11-000-230-530	225,000	99,362	324,362	324,202	160	320,000	71,100	391,100	346,288	44,812
BOE Other Purchased Services	11-000-230-585	20,000	(5,500)	14,500	13,347	1,153	20,000	(2,000)	18,000	17,435	565
Supplies and Materials	11-000-230-610	5,000	(3,000)	2,000	1,433	567	10,000	(7,300)	2,700	2,688	12
Miscellaneous Expenditures	11-000-230-890	18,000	(4,774)	13,226	12,151	1,075	15,000	3,700	18,700	11,098	7,602
BOE Membership Dues and Fees	11-000-230-895	15,000	(8,100)	6,900	6,121	779	15,000	(8,200)	6,800	6,121	679
Total Support Services General Administration		578,470	142,088	720,558	641,997	78,561	762,688	18,289	780,977	652,508	128,469
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	722,793	6,325	729,118	729,080	38	807,473	23,200	830,673	820,472	10,201
Salaries of Secretarial & Clerical Assistants	11-000-240-105	267,006	(2,225)	264,781	255,009	9,772	291,182	23,300	314,482	308,670	5,812
Other Purchased Services	11-000-240-500	3,000	7	3,007	1,058	1,949	3,200	(300)	2,900	896	2,004
Supplies and Materials	11-000-240-600	21,904	(3,947)	17,957	14,319	3,638	16,626	(1,464)	15,162	11,838	3,324
Other Objects	11-000-240-800	10,480	3,941	14,421	13,200	1,221	10,262	2,164	12,426	11,726	700
Total Support Services School Administration		1,025,183	4,101	1,029,284	1,012,666	16,618	1,128,743	46,900	1,175,643	1,153,602	22,041
Support Services Central Services											
Salaries	11-000-251-100	558,518	5,900	564,418	564,362	56	556,949	(19,800)	537,149	537,137	12
Purchased Professional Services	11-000-251-330	26,000	9,000	35,000	34,756	244	23,000	11,368	34,368	34,368	-
Other Purchased Services	11-000-251-592	140,000	(3,063)	136,937	136,549	388	135,000	(10,263)	124,737	124,144	593
Supplies and Materials	11-000-251-600	22,000	7,900	29,900	28,175	1,725	22,000	7,395	29,395	29,395	-
Interest on Loans	11-000-251-831		6,000	6,000	5,688	312		-			-
Other Objects	11-000-251-890	10,000	3,028	13,028	9,540	3,488	10,000	20,300	30,300	29,398	902
Total Support Services Central Services		756,518	28,765	785,283	779,070	6,213	746,949	9,000	755,949	754,442	1,507
Support Services Administrative Information Technology:											
Salaries	11-000-252-100	172,409	(15,000)	157,409	157,409	-	150,729	1,000	151,729	151,406	323
Other Purchased Professional Services	11-000-252-330	78,000	197,400	275,400	211,202	64,198	68,346	(18,000)	50,346	49,667	679
Supplies and Materials	11-000-252-600	100,000	129,085	229,085	189,997	39,088	65,000	39,260	104,260	78,900	25,360
Other Objects	11-000-252-800	2,000	(1,500)	500	178	322	1,000	-	1,000	536	464
Total Support Services Administrative Information Technology		352,409	309,985	662,394	558,786	103,608	285,075	22,260	307,335	280,509	26,826

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	441,504	(4,100)	437,404	437,269	135	440,197	3,928	444,125	444,124	1
Cleaning, Repair & Maintenance Services	11-000-261-420	254,000	251,500	505,500	385,895	119,605	240,000	166,753	406,753	231,619	175,134
General Supplies	11-000-261-610	154,000	(9,554)	144,446	140,986	3,460	117,000	51,311	168,311	162,605	5,706
Other Objects	11-000-261-800	3,750	-	3,750	3,575	175	2,250	50	2,300	2,296	4
Total Allowable Maintenance for School Facilities		853,254	237,846	1,091,100	967,725	123,375	799,447	222,042	1,021,489	840,644	180,845
Operation & Maintenance of Plant:											
Salaries	11-000-262-100	846,141	78,500	924,641	923,820	821	872,871	(7,404)	865,467	865,412	55
Purchased Professional & Technical Services	11-000-262-300	29,250	6,214	35,464	27,901	7,563	29,250	1,451	30,701	29,892	809
Cleaning, Repair & Maintenance Services	11-000-262-420	45,000	228,050	273,050	100,324	172,726	12,000	28,138	40,138	20,426	19,712
Other Purchased Property Services	11-000-262-490	90,000	5,981	95,981	85,618	10,363	83,600	(5,000)	78,600	71,347	7,253
Insurance	11-000-262-520	185,552	4,300	189,852	189,676	176	131,095	45,000	176,095	175,086	1,009
General Supplies	11-000-262-610	160,000	128,196	288,196	192,177	96,019	124,000	70,630	194,630	173,132	21,498
Energy (Natural Gas)	11-000-262-621	490,000	(173,924)	316,076	264,956	51,120	490,000	(161,000)	329,000	249,087	79,913
Energy (Electricity)	11-000-262-622	710,000	(131,269)	578,731	524,337	54,394	760,000	(107,500)	652,500	562,798	89,702
Other Objects	11-000-262-800	2,500	125	2,625	1,893	732	2,500	-	2,500	2,196	304
Total Operation & Maintenance of Plant		2,558,443	146,173	2,704,616	2,310,702	393,914	2,505,316	(135,685)	2,369,631	2,149,376	220,255
Care & Upkeep of Grounds:											
Salaries	11-000-263-100	15,000	(10,450)	4,550	4,550	-	-	-	-	-	-
Cleaning, Repair & Maintenance Services	11-000-263-420	-	-	-	-	-	10,000	-	10,000	2,548	7,452
General Supplies	11-000-263-610	30,000	(11,000)	19,000	18,487	513	30,000	(12,000)	18,000	12,264	5,736
Total Care & Upkeep of Grounds		45,000	(21,450)	23,550	23,037	513	40,000	(12,000)	28,000	14,812	13,188
Total Operation & Maintenance of Plant Services & Allowable Maintenance for School Facilities		3,456,697	362,569	3,819,266	3,301,464	517,802	3,344,763	74,357	3,419,120	3,004,832	414,288

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Student Transportation Services:											
Salaries Pupil Transportation (Between Home & School) Nonpublic	11-000-270-162	144,854	109,525	254,379	253,427	952	-	132,563	132,563	132,546	17
Cleaning, Repair, & Maintenance Services	11-000-270-420	-	51,975	51,975	50,915	1,060	-	17,850	17,850	17,693	157
Total Student Transportation Services		144,854	161,500	306,354	304,342	2,012	-	150,413	150,413	150,239	174
Unallocated Benefits Employee Benefits:											
Social Security Contributions	11-000-291-220	1,168,370	(2,000)	1,166,370	1,110,492	55,878	1,126,856	-	1,126,856	1,087,476	39,380
Other Retirement Contributions - Regular	11-000-291-241	1,012,190	200,085	1,212,275	1,209,733	2,542	1,346,107	(61,500)	1,284,607	1,281,705	2,902
Unemployment Compensation	11-000-291-250	200,000	72,373	272,373	180,179	92,194	155,000	5,000	160,000	97,627	62,373
Workmen's Compensation	11-000-291-260	602,000	(73,000)	529,000	516,002	12,998	630,000	(99,000)	531,000	526,890	4,110
Health Benefits	11-000-291-270	9,317,914	(802,142)	8,515,772	8,371,149	144,623	8,769,977	157,100	8,927,077	8,927,077	-
Tuition Reimbursement	11-000-291-280	71,000	-	71,000	32,268	38,732	55,000	3,900	58,900	38,242	20,658
Total Unallocated Benefits - Employee Benefits		12,371,474	(604,684)	11,766,790	11,419,823	346,967	12,082,940	5,500	12,088,440	11,959,017	129,423
Nonbudgeted:											
Reimbursed TPAF Post-Retirement Medical Contributions		-	-	-	1,314,876	(1,314,876)	-	-	-	-	-
Reimbursed TPAF Pension Contributions		-	-	-	1,486,792	(1,486,792)	-	-	-	1,925,479	(1,925,479)
Reimbursed TPAF Social Security Contributions		-	-	-	1,413,043	(1,413,043)	-	-	-	1,457,643	(1,457,643)
Total Undistributed Expenditures		23,771,737	308,967	24,080,704	27,193,060	(3,112,356)	23,387,245	178,420	23,565,665	26,198,467	(2,632,802)
Total Expenditures - Current Expense		40,713,688	(390,681)	40,323,007	43,316,462	(2,993,455)	41,066,197	14,101	41,080,298	43,601,674	(2,521,376)
Capital Outlay:											
Undistributed Expenditures:											
Administrartion Information											
Technology	12-000-252-730	-	234,100	234,100	-	234,100	-	-	-	-	-
Custodial Services	12-000-262-730	-	33,200	33,200	-	33,200	-	-	-	-	-
Contribution for County Debt Service	12-000-510-900	-	300,000	300,000	300,000	-	-	300,000	300,000	300,000	-
Interest Deposit to Capital Reserve	10-604	11,000	-	11,000	-	11,000	11,000	(11,000)	-	-	-
Total Undistributed Expenditures		11,000	567,300	578,300	300,000	278,300	11,000	289,000	300,000	300,000	-

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

ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Facilities Acquisition & Construction Services:										
Construction Services	-	233,900	233,900	-	233,900	-	-	-	-	-
Total Facilities Acquisition & Construction Services:	-	233,900	233,900	-	233,900	-	-	-	-	-
Total Capital Outlay	11,000	801,200	812,200	300,000	512,200	11,000	289,000	300,000	300,000	-
Total Expenditures	40,724,688	410,519	41,135,207	43,616,462	(2,481,255)	41,077,197	303,101	41,380,298	43,901,674	(2,521,376)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	337,592	(410,519)	(72,927)	2,474,969	2,547,896	357,210	(303,101)	54,109	243,418	189,309
Other Financing Sources/(Uses):										
Transfers In/(Out)	-	-	-	-	-	-	-	-	(1,441,168)	1,441,168
Board Contribution to Food Service Fund	(337,592)	(170,001)	(507,593)	(502,935)	(4,658)	(357,210)	(500)	(357,710)	(355,856)	(1,854)
Total Other Financing Sources/(Uses)	(337,592)	(170,001)	(507,593)	(502,935)	(4,658)	(357,210)	(500)	(357,710)	(1,797,024)	1,439,314
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)	-	(580,520)	(580,520)	1,972,034	2,552,554	-	(303,601)	(303,601)	(1,553,606)	(1,250,005)
Fund Balances, July 1	3,883,460	-	3,883,460	3,883,460	-	5,437,066	-	5,437,066	5,437,066	-
Fund Balances, June 30	\$ 3,883,460	\$ (580,520)	\$ 3,302,940	\$ 5,855,494	\$ 2,552,554	\$ 5,437,066	\$ (303,601)	\$ 5,133,465	\$ 3,883,460	\$ (1,250,005)

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Reserve for Encumbrances	<u>\$ 580,520</u>
Total Budget Transfers	<u>\$ 580,520</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$ 1,506,836
Assigned Fund Balance:	
Year-End Encumbrances	982,370
Unassigned Fund Balance	<u>3,366,288</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 5,855,494</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION



**BURLINGTON 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 N-1
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Revenue" From the Budgetary Comparison Schedule (C-Series)	<u>\$ 46,091,431</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	
	<u><u>\$ 46,091,431</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 43,616,462</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	
	<u><u>\$ 43,616,462</u></u>

N-1 The General Fund Budget Uses GAAP Basis Therefore no Reconciliation is Necessary

OTHER SUPPLEMENTARY INFORMATION



D. School Based Budget Schedules

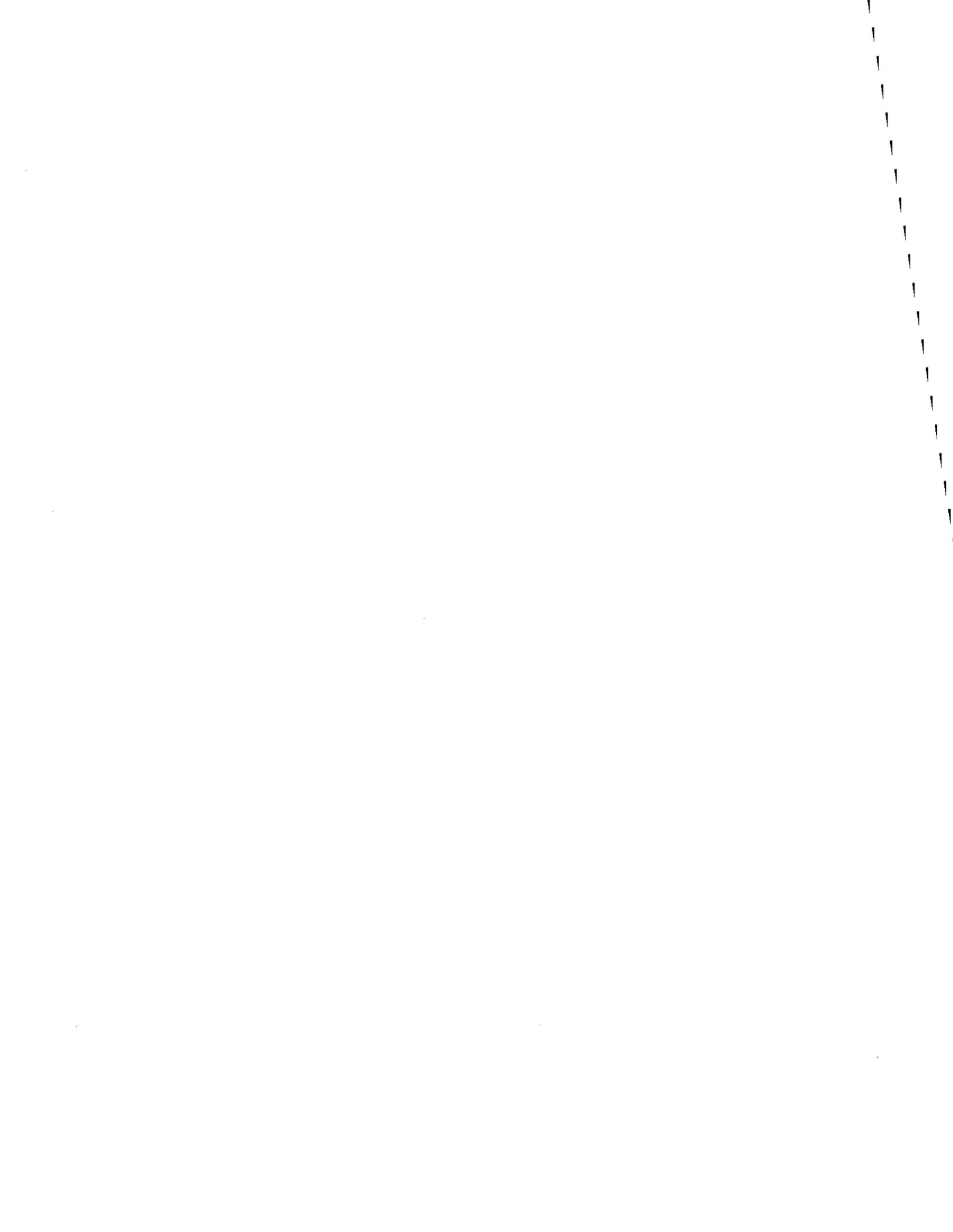
Not Applicable

E. Special Revenue Fund

Not Applicable

F. Capital Projects Fund

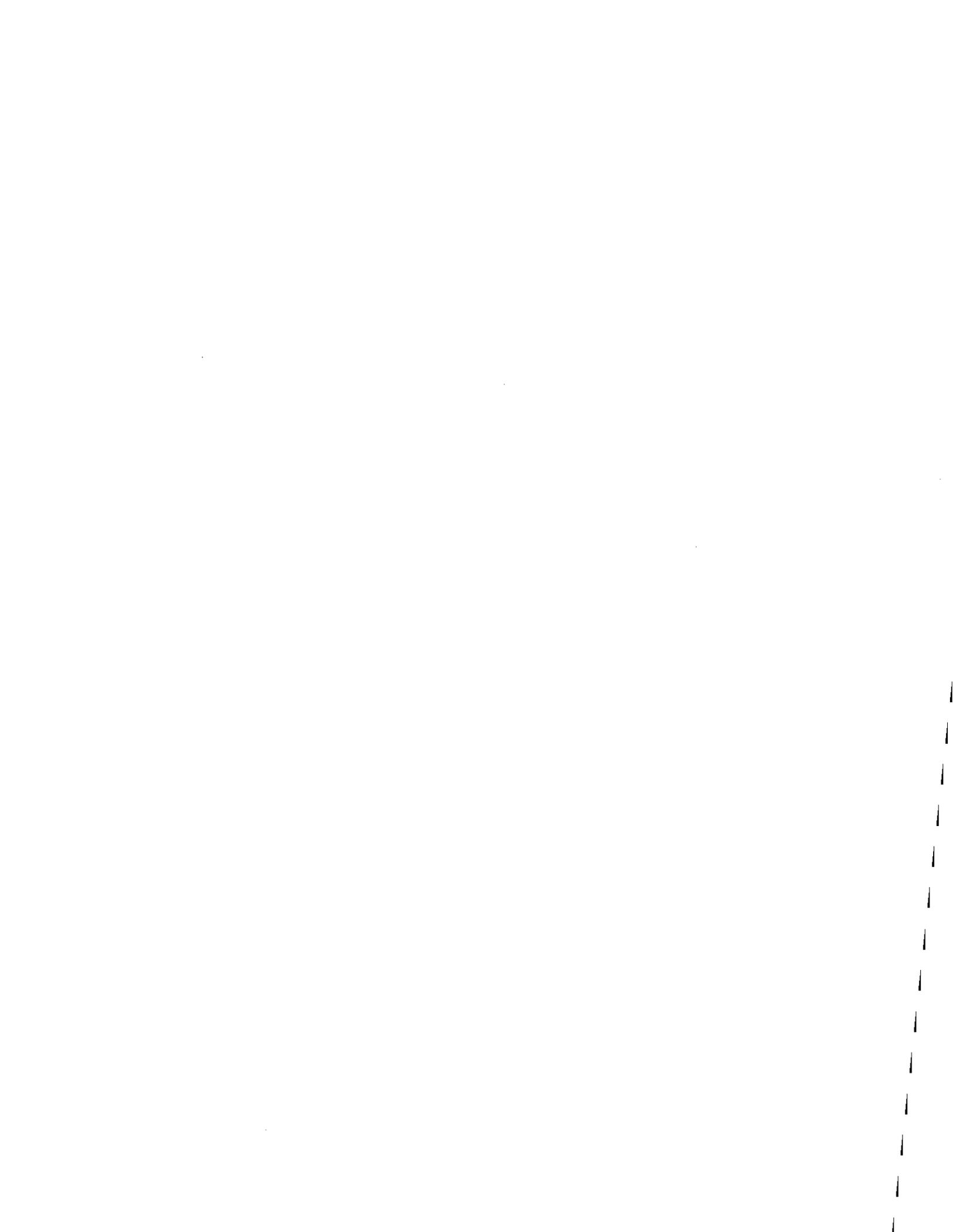
Not Applicable



G. Proprietary Funds



Enterprise Funds



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

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	2013	2012
Current Assets:							
Cash & Cash Equivalents	\$ -	\$ -	\$ 96,749	\$ -	\$ 109,646	\$ 206,395	\$ 124,549
Security Deposit	-	-	-	-	-	-	10,245
Prepaid Expenses	-	-	-	-	-	-	200
Interfund Receivable	131,951	-	-	171	-	132,122	182,291
Receivable:							
State	316	-	-	-	-	316	239
Federal	21,242	-	-	-	-	21,242	16,114
Other (Net)	-	-	-	2,475,072	-	2,475,072	2,276,789
Inventories	14,350	7,576	875	-	-	22,801	27,963
Total Current Assets	167,859	7,576	97,624	2,475,243	109,646	2,857,948	2,638,390
Fixed Assets:							
Equipment	321,779	-	1,527	382,416	-	705,722	707,412
Less: Accumulated Depreciation	(207,517)	-	(1,527)	(378,660)	-	(587,704)	(568,742)
Total Fixed Assets	114,262	-	-	3,756	-	118,018	138,670
Total Assets	282,121	7,576	97,624	2,478,999	109,646	2,975,966	2,777,060
LIABILITIES							
Current Liabilities:							
Cash Deficit	59,130	15,491	-	90,679	-	165,300	571,159
Accounts Payable	51,377	8,758	-	35,155	-	95,290	37,039
Interfund Payables	-	8,152	-	-	-	8,152	8,152
Deferred Revenue	-	-	-	-	-	-	42,535
Total Liabilities	110,507	32,401	-	125,834	-	268,742	658,885
NET POSITION							
Unrestricted	57,352	(24,825)	97,624	2,349,409	109,646	2,589,206	1,979,505
Investment in Capital Assets Net of Related Debt	114,262	-	-	3,756	-	118,018	138,670
Total Net Position	\$ 171,614	\$ (24,825)	\$ 97,624	\$ 2,353,165	\$ 109,646	\$ 2,707,224	\$ 2,118,175

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	2013	2012
Operating Revenues:							
Local Sources:							
Daily Sales - Reimbursable Programs:							
School Lunch & Breakfast Programs	\$ 75,257	\$ -	\$ -	\$ -	\$ -	\$ 75,257	\$ 83,123
Daily Sales - Nonreimbursable Programs	69,030	59,042	-	-	-	128,072	148,148
Special Functions	95,314	8,010	-	-	-	103,324	121,535
Fees for Services	-	-	-	15,190,132	1,470,000	16,660,132	14,421,452
Other Revenue	47,548	11	-	-	-	47,559	35,115
Sale of Merchandise	-	-	9,091	-	-	9,091	16,410
Total Operating Revenue	287,149	67,063	9,091	15,190,132	1,470,000	17,023,435	14,825,783
Operating Expenses:							
Salaries & Wages	734,683	35,638	-	8,675,657	1,360,354	10,806,332	8,973,561
Purchased Professional Services	92,451	-	-	541,032	-	633,483	508,810
Telephone/Communication/Postage	-	-	-	52,822	-	52,822	16,565
Purchased Services - Transportation	-	-	-	5,092,175	-	5,092,175	5,092,001
Repairs	5,208	-	-	-	-	5,208	31,901
Supplies & Materials	75,562	5,953	-	37,017	-	118,532	82,559
Travel	-	-	-	20,854	-	20,854	16,905
Training & Seminars	-	-	-	-	-	-	10,749
Other Objects	-	-	-	-	-	-	166,680
Depreciation	11,970	-	-	9,109	-	21,079	22,340
Miscellaneous Expenditures	32,146	2,564	-	173,862	-	208,572	65,268
Cost of Sales	254,520	52,940	87,318	-	-	394,778	382,704
Total Operating Expenses	1,206,540	97,095	87,318	14,602,528	1,360,354	17,353,835	15,370,043
Operating Gain/(Loss)	(919,391)	(30,032)	(78,227)	587,604	109,646	(330,400)	(544,260)
Nonoperating Revenues:							
State Sources:							
State School Lunch Program	4,389	-	-	-	-	4,389	4,654
Extended School Nutrition Program	-	-	-	-	-	-	313
Federal Source:							
School Breakfast Program	105,354	-	-	-	-	105,354	99,548
National School Lunch Program	187,804	-	-	-	-	187,804	193,325
Extended School Nutrition Program	-	-	-	-	-	-	19,123
Healthy Hunger-Free Kids Act	4,433	-	-	-	-	4,433	-
Food Distribution Program	33,567	-	-	-	-	33,567	22,326
Other Sources:							
BCIP Inclusion Project	-	-	-	59,245	-	59,245	58,616
Crisis Response	-	-	-	18,590	-	18,590	18,150
Interest Income	280	-	500	1,925	-	2,705	361
Operating Transfer In/(Out) General							
Fund Board Contribution - Salaries	502,935	-	-	-	-	502,935	1,797,024
Due From General Fund	-	-	-	-	-	-	-
Contributed Capital	-	-	-	-	-	-	6,411
Gain/(Loss) on Adjustment to Fixed Assets	6,411	(5,984)	-	-	-	427	(367)
Total Nonoperating Revenues/Expenses	845,173	(5,984)	500	79,760		919,449	2,219,484
Changes in Net Position	(74,218)	(36,016)	(77,727)	667,364	109,646	589,049	1,675,224
Total Position-Beginning	245,832	11,191	175,351	1,685,801	-	2,118,175	442,951
Total Net Position-Ending	\$ 171,614	\$ (24,825)	\$ 97,624	\$ 2,353,165	\$ 109,646	\$ 2,707,224	\$ 2,118,175

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	2013	2012
Cash Flows From Operating Activities:							
Receipts from Customers	\$ 289,183	\$ 68,909	\$ 59,091	\$ 14,945,603	\$ 1,470,000	\$ 16,832,786	\$ 14,568,887
Payments to Employees	(734,683)	-	-	(8,675,657)	(1,360,354)	(10,770,694)	(8,973,561)
Payments to Suppliers	(407,336)	(84,276)	(87,391)	(5,909,201)	-	(6,488,204)	(6,458,443)
Net Cash Provided/(Used) by Operating Activities	(852,836)	(15,367)	(28,300)	360,745	109,646	(426,112)	(863,117)
Cash Flows From Noncapital Financing Activities:							
State Sources	4,312	-	-	-	-	4,312	5,600
Federal Sources	326,030	-	-	-	-	326,030	370,807
Other Sources	-	-	-	77,835	-	77,835	76,766
Operating Subsidies & Transfers to Other Funds	502,935	-	-	-	-	502,935	1,797,024
Net Cash Provided/(Used) by Noncapital Financing Activities	833,277	-	-	77,835	-	911,112	2,250,197
Cash Flows From Investing Activities:							
Interest & Dividends	280	-	500	1,925	-	2,705	361
Net Cash Provided/(Used) by Investing Activities	280	-	500	1,925	-	2,705	361
Net Increase/(Decrease) in Cash & Cash Equivalents	(19,279)	(15,367)	(27,800)	440,505	109,646	487,705	1,387,441
Balances - Beginning of Year	(39,851)	(124)	124,549	(531,184)	-	(446,610)	(1,834,051)
Balances - End of Year	\$ (59,130)	\$ (15,491)	\$ 96,749	\$ (90,679)	\$ 109,646	\$ 41,095	\$ (446,610)

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

Operating Income/(Loss)	\$ (919,391)	\$ (30,032)	\$ (78,227)	\$ 587,604	\$ 109,646	\$ (330,400)	\$ (544,260)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:							
Depreciation & Net Amortization	11,970	-	-	9,109	-	21,079	22,340
(Increase)/Decrease in Other Account Receivable, Net	2,034	1,846	50,000	(201,994)	-	(148,114)	(243,131)
(Increase)/Decrease in Inventories	1,174	4,061	(73)	-	-	5,162	(1,947)
Increase/(Decrease) in Deferred Revenue	-	-	-	(42,535)	-	(42,535)	(13,765)
(Increase)/Decrease in Prepaid Expenses	-	-	-	200	-	200	(200)
(Increase)/Decrease in Security Deposit	-	-	-	10,245	-	10,245	-
Increase/(Decrease) in Accounts Payable	51,377	8,758	-	(1,884)	-	58,251	(82,154)
Total Adjustments	66,555	14,665	49,927	(226,859)	-	(95,712)	(318,857)
Net Cash Provided/(Used) by Operating Activities	\$ (852,836)	\$ (15,367)	\$ (28,300)	\$ 360,745	\$ 109,646	\$ (426,112)	\$ (863,117)

Internal Service Fund

Not Applicable

H. Fiduciary Fund

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

ASSETS	PRIVATE PURPOSE		AGENCY		2013	2012
	DONATIONS TRUST FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 75,309	\$ 6,125	\$ 328,592	\$ 493,499	\$ 903,525	\$ 874,352
Interfund Accounts Receivable	-	-	125,000	-	125,000	125,000
Total Assets	75,309	6,125	453,592	493,499	1,028,525	999,352
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	329,793	329,793	320,142
Interfund Accounts Payable: General Fund	-	-	-	163,706	163,706	163,706
Due to Student Groups	-	-	453,592	-	453,592	413,092
Total Liabilities	-	-	453,592	493,499	947,091	896,940
NET POSITION						
Reserved for Unemployment Claims	-	6,125	-	-	6,125	6,106
Reserved for Students	75,309	-	-	-	75,309	96,306
Total Net Position	\$ 75,309	\$ 6,125	\$ -	\$ -	\$ 81,434	\$ 102,412

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

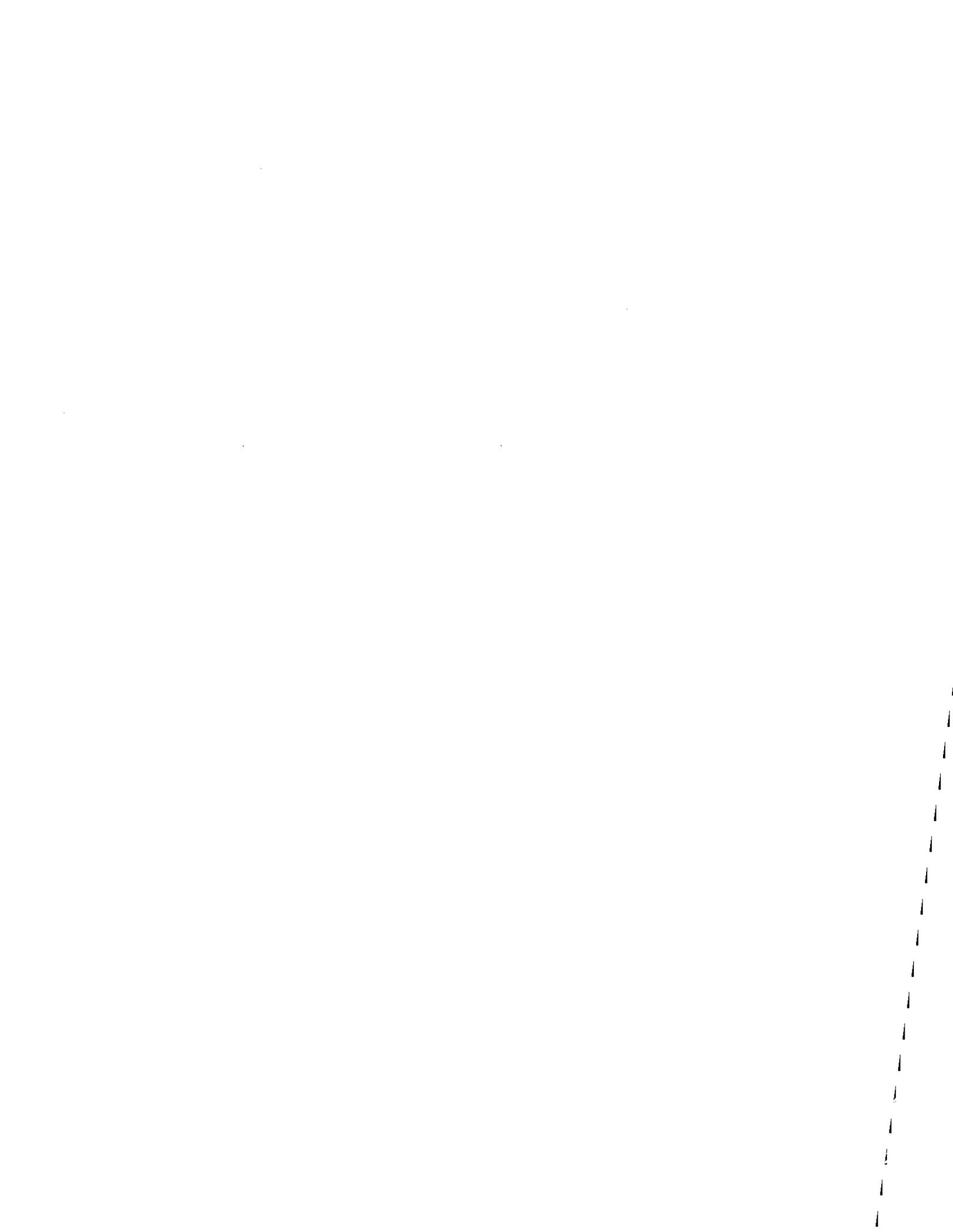
OPERATING REVENUES:	PRIVATE PURPOSE		2013	2012
	DONATION TRUST	UNEMPLOYMENT TRUST		
Local Sources:				
Donations	\$ -	\$ -	\$ -	\$ 31,600
Total Operating Revenues	-	-	-	31,600
OPERATING EXPENSES:				
Disbursements	21,284	-	21,284	-
Total Operating Expenses	21,284	-	21,284	-
Operating Income/(Loss)	(21,284)	-	(21,284)	31,600
Nonoperating Revenue (Expenses):				
Interest Income	287	19	306	37
Net Income/(Loss)	(20,997)	19	(20,978)	31,637
Net Position, July 1	96,306	6,106	102,412	70,775
Net Position, June 30	\$ 75,309	\$ 6,125	\$ 81,434	\$ 102,412

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

	BALANCE JUNE 30, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Central/District	\$ 53,184	\$ 6,248	\$ 4,043	\$ 55,389
South Campus	87,621	14,633	13,708	88,546
Vocational	7	1,244	200	1,051
High School	50,443	17,090	20,627	46,906
East Campus	60,982	11,554	9,714	62,822
Library	5,537	-	-	5,537
Lumberton Campus	11,339	10,257	10,466	11,130
Junior/Senior High School	28,919	15,974	13,160	31,733
Helping Hand	103,907	-	-	103,907
Yearbook	9,317	6,029	-	15,346
Interest	1,836	1,021	-	2,857
Unallocated - School Store	-	28,368	-	28,368
Total	\$ 413,092	\$ 112,418	\$ 71,918	\$ 453,592

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 483,848	\$ 38,271,051	\$ 38,261,400	\$ 493,499
Total Assets	<u>\$ 483,848</u>	<u>\$ 38,271,051</u>	<u>\$ 38,261,400</u>	<u>\$ 493,499</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 320,142	\$ 38,271,051	\$ 38,261,400	\$ 329,793
Interfund Accounts Payable	163,706	-	-	163,706
Total Liabilities	<u>\$ 483,848</u>	<u>\$ 38,271,051</u>	<u>\$ 38,261,400</u>	<u>\$ 493,499</u>



I. Long-Term Debt

Not Applicable

STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 2,225,940	\$ 1,946,535	\$ 1,918,911	\$ 2,114,430	\$ 1,994,904	\$ 1,988,661	\$ 2,173,928	\$ 2,085,530	\$ 1,647,751	\$ 1,658,747
Restricted	2,489,206	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785	1,022,704	500,586	531
Unrestricted	2,148,598	558,675	2,437,068	2,989,180	1,706,833	3,404,334	1,997,447	3,034,953	2,760,812	1,033,716
Total Governmental Activities										
Net Position	\$ 6,863,744	\$ 4,587,701	\$ 6,160,850	\$ 6,494,117	\$ 5,084,348	\$ 6,762,780	\$ 5,541,160	\$ 6,143,187	\$ 4,909,149	\$ 2,692,994
 Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 118,018	\$ 138,670	\$ 154,966	\$ 192,402	\$ 239,426	\$ 176,599	\$ 153,018	\$ 191,208	\$ 107,186	\$ 118,941
Unrestricted	2,589,206	1,979,505	287,985	(905,855)	2,602,866	4,804,777	6,066,848	4,538,214	3,368,126	2,725,538
Total Business-Type Activities										
Net Position	\$ 2,707,224	\$ 2,118,175	\$ 442,951	\$ (713,453)	\$ 2,842,292	\$ 4,981,376	\$ 6,219,866	\$ 4,729,422	\$ 3,475,312	\$ 2,844,479
 District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 2,343,958	\$ 2,085,205	\$ 2,073,877	\$ 2,306,832	\$ 2,234,330	\$ 2,165,260	\$ 2,326,946	\$ 2,276,738	\$ 1,754,937	\$ 1,777,688
Restricted	2,489,206	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785	1,022,704	500,586	531
Unrestricted	4,737,804	2,538,180	2,725,053	2,083,325	4,309,699	8,209,111	8,064,295	7,573,167	6,128,938	3,759,254
Total District Net Position	\$ 9,570,968	\$ 6,705,876	\$ 6,603,801	\$ 5,780,664	\$ 7,926,640	\$ 11,744,156	\$ 11,761,026	\$ 10,872,609	\$ 8,384,461	\$ 5,537,473

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental Activities:										
Instruction:										
Special Education	\$ 16,002,153	\$ 17,293,675	\$ 17,463,812	\$ 20,624,676	\$ 20,725,888	\$ 20,870,679	\$ 19,989,078	\$ 18,807,380	\$ 18,720,015	\$ 16,236,732
Other Special Instruction	121,249	109,532	128,022	113,073	86,347	93,336	86,252	101,771	59,081	47,385
Other Special Instruction	-	-	-	-	19,245	32,436	15,195	14,640	-	-
Support Services:										
Student & Instruction Related										
Services	4,960,201	4,860,196	4,768,340	891,235	766,603	761,648	825,173	789,265	782,682	968,854
School Administrative Services	641,997	652,508	644,362	968,279	684,626	871,142	758,816	636,670	736,531	698,586
General & Business Administrative										
Services	2,650,522	2,488,553	2,125,766	2,008,678	2,232,537	2,278,354	2,183,376	2,013,979	1,787,422	1,417,015
Plant Operations & Maintenance	3,301,464	3,002,177	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205	2,673,892	2,394,632
Pupil Transportation	304,342	150,239	-	-	1,163,065	887,618	765,317	635,865	469,592	418,169
Unallocated Benefits	15,634,534	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345	9,055,376	7,730,539
Unallocated Compensated Absences	(24,604)	47,167	43,381	(827,143)	125,502	44,222	96,193	36,754	(14,198)	185,779
Unallocated Contributed Capital	(486,311)	(67,328)	-	(39,928)	-	17,548	-	-	-	-
Unallocated Depreciation	206,906	215,000	205,000	209,070	246,312	167,719	100,124	169,499	158,171	359,863
Adjustment to Fixed Assets	-	(172,641)	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	43,381	250,000	1,458,016	283,726	-
Special Schools	-	-	-	12,096	16,344	17,294	17,311	62,801	68,068	86,887
Total Governmental Activities										
Expense	43,312,453	43,921,217	44,133,832	40,470,322	42,241,793	41,634,597	40,553,630	38,811,190	34,780,358	30,544,441
Business-Type Activities:										
Food Service	1,303,635	1,113,093	1,169,276	1,423,397	1,560,527	1,490,230	1,497,491	1,445,534	1,325,307	1,450,450
School Store	87,318	3,091	1,374	2,691	3,357	6,140	5,051	2,210	7,844	13,510
Educational Services	14,602,528	14,253,859	15,661,303	18,078,793	18,633,356	16,829,518	12,863,952	12,078,868	11,966,212	11,532,700
VQ/CA	1,360,354	-	-	-	-	-	-	-	-	-
Total Business-Type Activities										
Expense	17,353,835	15,370,043	16,831,953	19,504,881	20,197,240	18,325,888	14,366,494	13,526,612	13,299,363	12,996,660
Total District Expenses	\$ 60,666,288	\$ 59,291,260	\$ 60,965,785	\$ 59,975,203	\$ 62,439,033	\$ 59,960,485	\$ 54,920,124	\$ 52,337,802	\$ 48,079,721	\$ 43,541,101

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 2,899,835	\$ 3,383,122	\$ 2,860,416	\$ 2,786,420	\$ 2,669,233	\$ 3,135,815	\$ 2,924,511	\$ 1,706,135	\$ 1,452,638	\$ 1,268,022
Total Governmental Activities Program Revenues	2,899,835	3,383,122	2,860,416	2,786,420	2,669,233	3,135,815	2,924,511	1,706,135	1,452,638	1,268,022
Business-Type Activities:										
Charges for Services:										
Food Service	354,212	387,921	396,391	423,346	519,998	500,786	425,968	451,592	436,655	446,609
School Store	9,091	16,410	16,735	17,835	18,066	23,160	14,920	9,371	11,009	10,023
Educational Services	15,190,132	14,421,452	14,267,549	14,354,634	16,222,780	15,242,618	14,135,389	13,168,775	12,489,294	11,917,922
VQ/CA	1,470,000	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	413,382	422,466	397,081	450,987	418,543	446,065	434,534	427,097	396,966	473,324
Total Business Type Activities Program Revenues	17,436,817	15,248,249	15,077,756	15,246,802	17,179,387	16,212,629	15,010,811	14,056,835	13,333,924	12,847,878
Total District Program Revenues	\$ 20,336,652	\$ 18,631,371	\$ 17,938,172	\$ 18,033,222	\$ 19,848,620	\$ 19,348,444	\$ 17,935,322	\$ 15,762,970	\$ 14,786,562	\$ 14,115,900
Net (Expense)/Revenue:										
Governmental Activities	\$ (40,412,618)	\$ (40,538,095)	\$ (41,273,416)	\$ (37,683,902)	\$ (39,572,560)	\$ (38,498,782)	\$ (37,629,119)	\$ (37,105,055)	\$ (33,327,720)	\$ (29,276,419)
Business-Type Activities	82,982	(121,794)	(1,754,197)	(4,258,079)	(3,017,853)	(2,113,259)	644,317	530,223	34,561	(148,782)
Total District-Wide Net Expense	\$ (40,329,636)	\$ (40,659,889)	\$ (43,027,613)	\$ (41,941,981)	\$ (42,590,413)	\$ (40,612,041)	\$ (36,984,802)	\$ (36,574,832)	\$ (33,293,159)	\$ (29,425,201)

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
County Appropriation	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000
Federal & State Aid Not Restricted	1,514,792	44,493	199,655	256,188	124,165	2,652,011	4,991,905	3,801,273	2,812,760	2,792,721
Tuition Received	28,637,896	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522	25,410,145	22,729,234
Tuition Charges	7,496,846	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948	2,510,330	-
Non Resident Fees	351,819	311,263	315,289	404,024	173,771	201,039	156,099	165,415	194,710	370,067
Miscellaneous Income	390,243	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955	1,619,144	1,169,040	980,151
Capital Reserve	-	-	-	-	-	43,381	250,000	500,000	-	-
Transfers	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)	(545,933)	(518,201)
Prior Year Accounts Receivable Cancelled	-	-	-	-	-	-	-	-	(265,389)	-
Prior Year Accounts Payable Cancelled	-	-	-	-	-	-	-	-	11,037	54,233
Contributed Capital	-	-	-	-	252,555	-	188,522	607,278	147,175	267,460
Total Governmental Activities	42,688,661	38,964,946	40,940,149	39,093,671	37,894,128	38,093,732	38,653,762	38,339,093	35,543,875	30,775,665
Business-Type Activities:										
Investment Earnings	2,706	361	14,271	7,078	91,390	174,460	212,810	119,400	50,339	15,099
Contributed Capital	427	(367)	-	-	90,621	38,122	-	-	-	-
Transfers	502,935	1,797,024	2,896,330	695,256	696,758	662,187	633,317	604,487	545,933	518,201
Total Business-Type Activities	506,068	1,797,018	2,910,601	702,334	878,769	874,769	846,127	723,887	596,272	533,300
Total District-Wide	\$ 43,194,729	\$ 40,761,964	\$ 43,850,750	\$ 39,796,005	\$ 38,772,897	\$ 38,968,501	\$ 39,499,889	\$ 39,062,980	\$ 36,140,147	\$ 31,308,965
Change in Position:										
Governmental Activities	\$ 2,276,043	\$ (1,573,149)	\$ (333,267)	\$ 1,409,769	\$ (1,678,432)	\$ (405,050)	\$ 1,024,643	\$ 1,234,038	\$ 2,216,155	\$ 1,499,246
Business-Type Activities	589,050	1,675,224	1,156,404	(3,555,745)	(2,139,084)	(1,238,490)	1,490,444	1,254,110	630,833	384,518
Total District	\$ 2,865,093	\$ 102,075	\$ 823,137	\$ (2,145,976)	\$ (3,817,516)	\$ (1,643,540)	\$ 2,515,087	\$ 2,488,148	\$ 2,846,988	\$ 1,883,764

BURLINGTON 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										
Restricted	\$ 1,506,836	\$ 1,501,971	\$ 1,501,270	\$ 1,390,507	\$ 1,382,611	\$ 1,369,785	\$ 2,996,455	\$ 2,070,300	\$ 500,586	\$ 531
Assigned	982,370	580,520	303,601	-	-	-	-	-	-	-
Unassigned	3,366,288	1,800,969	3,632,195	4,140,926	3,685,722	5,257,721	3,806,612	3,700,329	4,437,030	2,724,132
Total General Fund	\$ 5,855,494	\$ 3,883,460	\$ 5,437,066	\$ 5,531,433	\$ 5,068,333	\$ 6,627,506	\$ 6,803,067	\$ 5,770,629	\$ 4,937,616	\$ 2,724,663

BURLINGTON 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
Revenues:										
County Appropriation	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000
Tuition Charges	28,637,896	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522	25,410,145	22,729,234
Other Tuition	7,496,846	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948	2,510,330	
Nonresident Fees	351,819	311,263	315,289	404,024	173,771	201,039	156,099	165,415	194,710	370,067
Miscellaneous	390,243	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955	1,619,144	1,169,040	980,151
State Sources	4,214,711	3,385,530	2,860,416	2,786,420	2,659,992	5,541,630	7,551,688	5,437,733	4,216,824	3,962,643
Federal Sources	199,916	42,085	199,655	256,188	133,406	246,196	364,728	69,675	48,574	98,100
Total Revenues	46,091,431	44,145,092	45,996,895	42,575,347	41,007,564	41,848,353	41,773,068	39,542,437	37,649,623	32,240,195
Expenditures:										
Current:										
Special Education Instruction	16,002,153	17,293,675	17,463,812	20,624,676	20,725,888	20,870,679	19,989,078	18,807,380	18,720,015	16,236,732
Other Special Instruction	121,249	109,532	128,022	113,073	86,347	93,336	86,252	101,771	59,081	47,385
Other Instructional Programs	-	-	-	-	19,245	32,436	15,195	14,640	-	-
Support Services & Undistributed Costs:										
Student & Instruction Related										
Services	4,960,201	4,860,196	4,768,340	891,235	766,603	761,648	825,173	789,265	782,682	968,854
School Administrative Services	641,997	652,508	644,362	968,279	684,626	871,142	758,816	636,670	736,531	698,586
Other Administrative Services	2,350,522	2,188,553	2,125,766	2,297,346	2,232,537	2,278,354	2,183,376	2,013,979	1,787,422	1,417,015
Plant Operations & Maintenance	3,301,464	3,004,832	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205	2,673,892	2,394,632
Pupil Transportation	304,342	150,239	-	-	1,163,065	887,618	765,317	635,865	469,592	418,169
Unallocated Benefits	15,634,534	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345	9,055,376	7,730,539
Special Schools	-	-	-	12,096	16,344	17,294	17,311	62,801	68,068	86,887
Capital Outlay	300,000	300,000	-	-	-	43,381	250,000	1,458,016	283,726	-
Total Expenditures	43,616,462	43,901,674	43,885,451	41,416,991	41,869,979	41,405,108	40,357,313	38,604,937	34,636,385	29,998,799

**BURLINGTON 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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,474,969	243,418	2,101,963	1,158,356	(862,415)	443,245	1,415,755	937,500	3,013,238	2,241,396
Other Financing Sources/(Uses):										
Prior Year Accounts Payable Cancelled/ (Added)	-	-	-	-	-	-	-	-	11,037	54,233
Prior Years Accounts Receivable Cancelled	-	-	-	-	-	-	-	-	(265,389)	-
Increase in Capital Reserve	-	-	-	-	-	43,381	250,000	500,000	-	-
Transfers In										
Transfers Out	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)	(545,933)	(518,201)
Total Other Financing Sources/(Uses)	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(618,806)	(383,317)	(104,487)	(800,285)	(463,968)
Net Change in Fund Balances	\$ 1,972,034	\$ (1,553,606)	\$ (94,367)	\$ 463,100	\$ (1,559,173)	\$ (175,561)	\$ 1,032,438	\$ 833,013	\$ 2,212,953	\$ 1,777,428
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	TUITION	OTHER LOCAL REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL
2013	\$ 36,134,742	\$ 5,542,062	\$ 4,214,711	\$ 199,916	\$ 46,091,431
2012	35,430,674	5,286,782	3,385,530	42,085	44,145,071
2011	37,561,764	5,375,060	2,860,416	181,932	45,979,172
2010	33,877,381	5,655,358	2,786,420	256,188	42,575,347
2009	30,587,149	7,617,776	2,659,992	133,406	40,998,323
2008	28,820,570	7,224,613	5,538,902	219,036	41,803,121
2007	27,049,598	6,792,489	7,549,738	339,033	41,730,858
2006	28,150,470	5,864,187	5,433,733	45,171	39,493,561
2005	27,920,475	5,463,750	4,216,824	48,574	37,649,623
2004	22,729,234	5,450,218	3,962,643	98,100	32,240,195

Note: Excludes the Capital Projects Fund as these expenditures vary substantially from year to year. The Financial data presented would not be as meaningful for comparative purposes if these were included.

Source: District Records.

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

N/A

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

N/A

**PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

N/A

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

EXHIBIT J-9

N/A

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

EXHIBIT J-10

N/A

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

EXHIBIT J-11

N/A

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013**

EXHIBIT J-12

N/A

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

EXHIBIT J-13

N/A

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	COUNTY POPULATION (a)	COUNTY PER CAPITA PERSONAL INCOME (c)	COUNTY UNEMPLOYMENT RATE (d)
2012	451,336	N/A	9.2%
2011	449,576	48,318	8.8%
2010	448,734	47,391	9.0%
2009	446,108	46,516	8.5%
2008	445,492	46,968	5.0%
2007	446,314	45,463	3.8%
2006	447,131	43,551	4.1%
2005	446,462	40,795	3.7%
2004	446,041	39,606	4.1%
2003	442,581	37,982	4.2%

Source: New Jersey Department of Education

(1) Bureau of Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

(2) US Bureau of the Census, Population Estimates Branch

**PRINCIPAL EMPLOYERS
CURRENT YEAR**

	EMPLOYEES	RANK
Virtua Memorial Hospital of Burlington County	3,300	1
Lockhed Martin	3,000	2
Burlington Coat Factory	2,000	3
Viking Yacht Co. Corp.	1,400	4
PHH Mortgage, Mount Laurel	1,300	5
Deborah Heart and Lung Center	1,300	6
Lourdes Medical Centr of Burlington County	1,300	7
CVS Corporation	1,200	8
Medco	1,000	9
Nade Auto Auction, Bordentown	813	10
	16,613	

Source: Burlington County

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Special Education	378	378	376	395	411	434	433	432	444	439
Support Services:										
Student & Instruction Related Services	63	64	62	63	63	62	56	59	57	60
School Administrative Services	14	14	14	16	15	17	16	14	13	13
General & Business Administrative Services	11	11	11	11	3	3	3	3	3	3
Plant Operations & Maintenance	24	24	23	23	21	23	24	24	24	23
Pupil Transportation	3	3			7	7	1	1	1	1
Business & Other Support Services	3	3	3	3	10	10	10	10	10	10
Food Service	10	12	12	19	22	21	21	19	18	18
Total	506	509	501	530	552	577	564	562	570	567

Source: District Personnel Records

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2013	775	43,316,462	55,892	1.65%	127	6.2/1	774.9	687.3	-0.06%	-0.55%
2012	793	43,601,674	54,983	3.09%	127	6.2/1	775.4	691.1	-6.21%	-6.19%
2011	823	43,894,932	53,335	12.55%	132	6.3/1	826.7	736.7	-5.39%	5.09%
2010	874	41,416,991	47,388	8.20%	137	6.2/1	873.8	776.2	-6.71%	-6.12%
2009	956	41,869,979	43,797	11.29%	138	6.9/1	936.6	826.8	-8.72%	-10.23%
2008	1,051	41,361,727	39,355	7.45%	156	6.7/1	1,026.1	921.0	-5.65%	-5.11%
2007	1,095	40,107,313	36,628	12.01%	163	6.7/1	1,087.6	970.6	-3.26%	-2.28%
2006	1,136	37,146,921	32,700	10.89%	162	7/1	1,124.3	993.2	-3.47%	-2.75%
2005	1,165	34,352,659	29,487	20.12%	166	7/1	1,164.7	1,021.3	-4.71%	-4.32%
2004	1,222	29,998,799	24,549	10.69%	175	7/1	1,222.3	1,067.4	-0.56%	-1.24%

Sources: District records

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Elementary Schools:										
Westampton Campus:										
Square Feet	207,433	207,433	207,433	207,433	207,433	207,433	207,433	207,433	207,433	207,433
Capacity (Students)	755	755	755	755	755	755	755	755	755	755
Enrollment	417	519	521	563	629	691	729	720	743	754
Lumberton Campus:										
Square Feet	66,438	66,438	66,438	66,438	66,438	66,438	66,438	66,438	66,438	66,438
Capacity (Students)	165	165	165	165	165	165	165	165	165	165
Enrollment	252	140	169	172	102	100	118	121	165	185
Junior/Senior:										
Square Feet	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Capacity (Students)	167	167	167	167	167	167	167	167	167	167
Enrollment	106	134	140	139	126	125	117	123	167	176

Number of Schools at June 30, 2013:

Other = 3

Source: District Facilities Office

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

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

	JR/SR HIGH SCHOOL	WESTAMPTON CAMPUS	LUMBERTON CAMPUS	TOTAL
2013	\$ 60,549	\$ 593,683	\$ 313,493	\$ 967,725
2012	35,682	572,956	232,006	840,644
2011	77,009	435,728	204,646	717,383
2010	83,532	454,475	207,552	745,559
2009	94,681	480,791	152,847	728,319
2008	82,641	471,046	272,711	826,398
2007	83,475	475,809	275,468	834,752
2006	71,723	408,821	236,684	717,228
2005	73,691	414,689	234,075	722,455
2004	64,759	365,521	206,331	636,611
Total School Facilities	<u>\$ 727,742</u>	<u>\$ 4,673,519</u>	<u>\$ 2,335,813</u>	<u>\$ 7,737,074</u>

Source: District records

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

	COVERAGE	DEDUCTIBLE
Commercial General Liability:		
General Aggregate Limit	None	
Products/Completed Operations Aggregate Limit	1,000,000	
Personal/Advertising Injury Limit	1,000,000	
Employers Liability & Worker's Compensation Each Occurrence	1,000,000	1,000
Commercial Property Coverage:		
Blanket Coverage, Building & Contents Equipment Floater:	60,773,384	5,000
Musical Instruments	Included	
Computer Floater	900,000	1,000
Commercial Automobile:		
Bodily Injury & Property Damage	1,000,000	
Medical Payments: Private Passenger	10,000	
Medical Payments: All Other Vehicles	5,000	
Uninsured Motorist: Private Passenger	1,000,000	
Uninsured Motorist: All Other Vehicles	15/30/5	
Underinsured Motorist: Private Passenger	1,000,000	
Underinsured Motorist: All Other Vehicles	15/30/5	
Commercial Crime		
Excess Umbrella:		
Excess Commercial General Liability Occurrence	9,000,000	
Excess Commercial General Liability Aggregate	9,000,000	
Excess School Leaders Errors & Omissions Occurrence	4,000,000	
Excess School Leaders Errors & Omissions Aggregate	4,000,000	
Student Accident:		
Aggregate Limit of Indemnity	5,000,000	
Catastrophic Cash Benefit	1,000,000	
Public Official Bonds:		
Employee Theft	25,000	
Board Secretary	100,000	
Treasurer	245,000	
Workers Compensation:		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease - Policy Limit	2,000,000	
Bodily Injury by Disease - Each Employee	2,000,000	
Employer's Liability	2,000,000	
Public Officials Bonded:		
Business Administrator/Board Secretary	100,000	
Treasurer of School Monies	350,000	
Interim Business Administrator/Board Secretary	100,000	

Source: School District Records



SINGLE AUDIT SECTION



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333

618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612

912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Chairperson and Members
of the Board of Directors
Burlington County Special Services School District
County of Burlington
Westampton, New Jersey 08060

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 and the aggregate remaining fund information of Burlington County Special Services School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Burlington County Special Services School District's basic financial statements, and have issued our report thereon dated .

Internal Control Over Financial Reporting

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

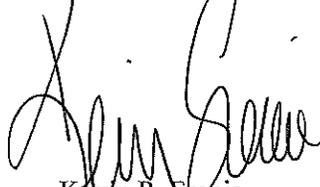
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 solely for the information of the audit committee, management, the Burlington County Special Services School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Medford, New Jersey
October 7, 2013



EXHIBIT K-2

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

Honorable Chairperson and Members
of the Board of Directors
Burlington County Special Services School District
County of Burlington
Westampton, New Jersey 08060

Report on Compliance for Each Major Federal and State Program

We have audited Burlington 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 federal and state programs for the year ended June 30, 2013. Burlington County Special Services School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Burlington County Special Services School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the *Schedule of Expenditures of State Financial Assistance*; 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about Burlington 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 federal or state program. However, our audit does not provide a legal determination of Burlington County Special Services School District's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Burlington 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 federal or state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed 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 Burlington 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 Burlington 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 federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 Burlington 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

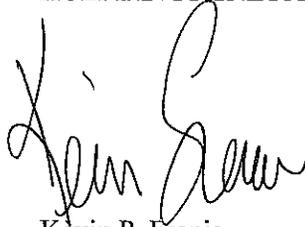
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

This report is intended for the information of the management of the Board of Education of the Burlington 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 "Kevin Frenia", written in a cursive style.

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

Medford, New Jersey
October 7, 2013

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:								
Enterprise Funds:								
School Breakfast Program	10.553		105,354	7/1/12-6/30/13	\$ -	\$ 98,175	\$ (105,354)	\$ (7,179)
School Breakfast Program	10.553		99,548	7/1/11-6/30/12	(6,144)	6,144	-	-
National School Lunch Program	10.555		187,804	7/1/12-6/30/13	-	174,110	(187,804)	(13,694)
National School Lunch Program	10.555		193,326	7/1/11-6/30/12	(9,970)	9,970	-	-
Healthy Hunger-Free Kids Act	10.551		4,433	7/1/12-6/30/13	-	4,064	(4,433)	(369)
Food Distribution Program	10.550		33,567	7/1/12-6/30/13	-	33,567	(33,567)	-
Total U.S. Department of Agriculture					(16,114)	326,030	(331,158)	(21,242)
U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:								
General Fund:								
Medical Assistance Program	93.778	N/A	199,916	9/1/12-6/30/13	-	199,916	(199,916)	-
Total U.S. Department of Labor					-	199,916	(199,916)	-
Total Federal Financial Assistance					\$ (16,114)	\$ 525,946	\$ (531,074)	\$ (21,242)

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

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education:								
General Fund:								
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-002	\$ 1,484,592	7/1/11-6/30/12	\$ (72,032)	\$ 72,032	\$ -	\$ -	\$ -
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-002	1,413,043	7/1/12-6/30/13	-	1,344,146	(1,413,043)	(68,897)	1,413,043
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	1,314,876	7/1/12-6/30/13	-	1,314,876	(1,314,876)	-	1,314,876
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	1,486,792	7/1/12-6/30/13	-	1,486,792	(1,486,792)	-	1,486,792
Enterprise Funds:								
Food Service Fund:								
National School Lunch Program (State Share)	100-010-3350-023	4,654	7/1/11-6/30/12	(239)	239	-	-	-
National School Lunch Program (State Share)	100-010-3350-023	4,389	7/1/12-6/30/13	-	4,073	(4,389)	(316)	4,389
Total State Department of Education				<u>(72,271)</u>	<u>4,222,158</u>	<u>(4,219,100)</u>	<u>(69,213)</u>	<u>4,219,100</u>
Total State Financial Assistance				<u>\$ (72,271)</u>	<u>\$ 4,222,158</u>	<u>(4,219,100)</u>	<u>\$ (69,213)</u>	<u>\$ 4,219,100</u>
Less: Grants Not Subject to New Jersey OMB Circular 04-04:								
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	1,314,876	7/1/12-6/30/13			\$ 1,314,876		
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	1,486,792	7/1/12-6/30/13			<u>1,486,792</u>		
Total State Financial Assistance subject to New Jersey OMB Circular 04-04						<u>\$ (1,417,432)</u>		

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2013**

Note 1. General

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

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003. C/09 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2013**

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

	State	Federal	Total
General Fund	\$ 4,214,711	\$ 199,916	\$ 4,414,627
Proprietary Funds	4,389	331,158	335,547
Total Financial Assistance	<u>\$ 4,219,100</u>	<u>\$ 531,074</u>	<u>\$ 4,750,174</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 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. Federal and State Loans Outstanding

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

**BURLINGTON 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 auditor’s report issued	<u>Unmodified</u>
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?	No

Federal Awards

Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	No
Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness (es) identified?	None 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 510(A) of Circular A-133	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 & 10.555	Child Nutrition Cluster

**BURLINGTON 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 (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	No
Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness (es) identified?	None Noted
3) 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 NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
13-495-034-5095-002	TPAF Social Security Contributions

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 Financial Statement Findings

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

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

No Current Year Findings & Questioned Costs

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND 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 and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings