

**BURLINGTON COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

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

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INTRODUCTORY SECTION

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

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Superintendent of Schools

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Business Administrator/Board Secretary

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November 9, 2016

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, 2016, 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 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations" and the State of New Jersey OMB Circular Letter 15-08, "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 2015-16 fiscal year with an enrollment of 695, which is 5 students above the previous year's enrollment. The following page details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	690.3	0.61%
2014-15	686.1	0.90%
2013-14	680.0	-6.21%
2012-13	774.9	-0.06%
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%

2) ECONOMIC CONDITION AND OUTLOOK: The American economy continues to struggle as it slowly recovers from a crisis in the financial markets and remains somewhat uncertain as a result of the ongoing threat of domestic and international terrorism. The continual 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. We will always provide the utmost support for our students during these difficult financial times.

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, 2016.

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 capital projects fund for the fiscal year ended June 30, 2016, and the amount and percentage of increases in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2015	Percentage Decrease/ Increase
Local Sources	\$ 38,135,955	89.78%	\$ (525,140)	-3.97%
State Sources	4,126,941	9.72%	332,295	2.27%
Federal Sources	213,391	0.50%	(418,219)	-24.97%
Total	<u>\$ 42,476,287</u>	<u>100.00%</u>	<u>\$ (611,064)</u>	

The following schedule presents a summary of general fund and capital projects fund expenditures for the fiscal year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2015	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 14,952,342	32.97%	\$ (248,170)	-1.66%
Other Special Instruction	264,662	0.58%	152,780	57.73%
Support Services & Undistributed Costs	<u>30,139,488</u>	<u>66.45%</u>	<u>5,360,351</u>	<u>17.79%</u>
Total	<u>\$ 45,356,492</u>	<u>100.00%</u>	<u>\$ 5,264,961</u>	

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.

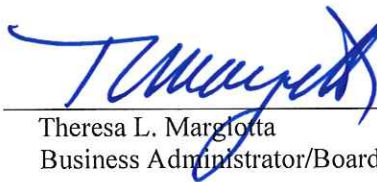
10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board to perform this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations” and the state of New Jersey OMB Circular Letter 15-08, “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,

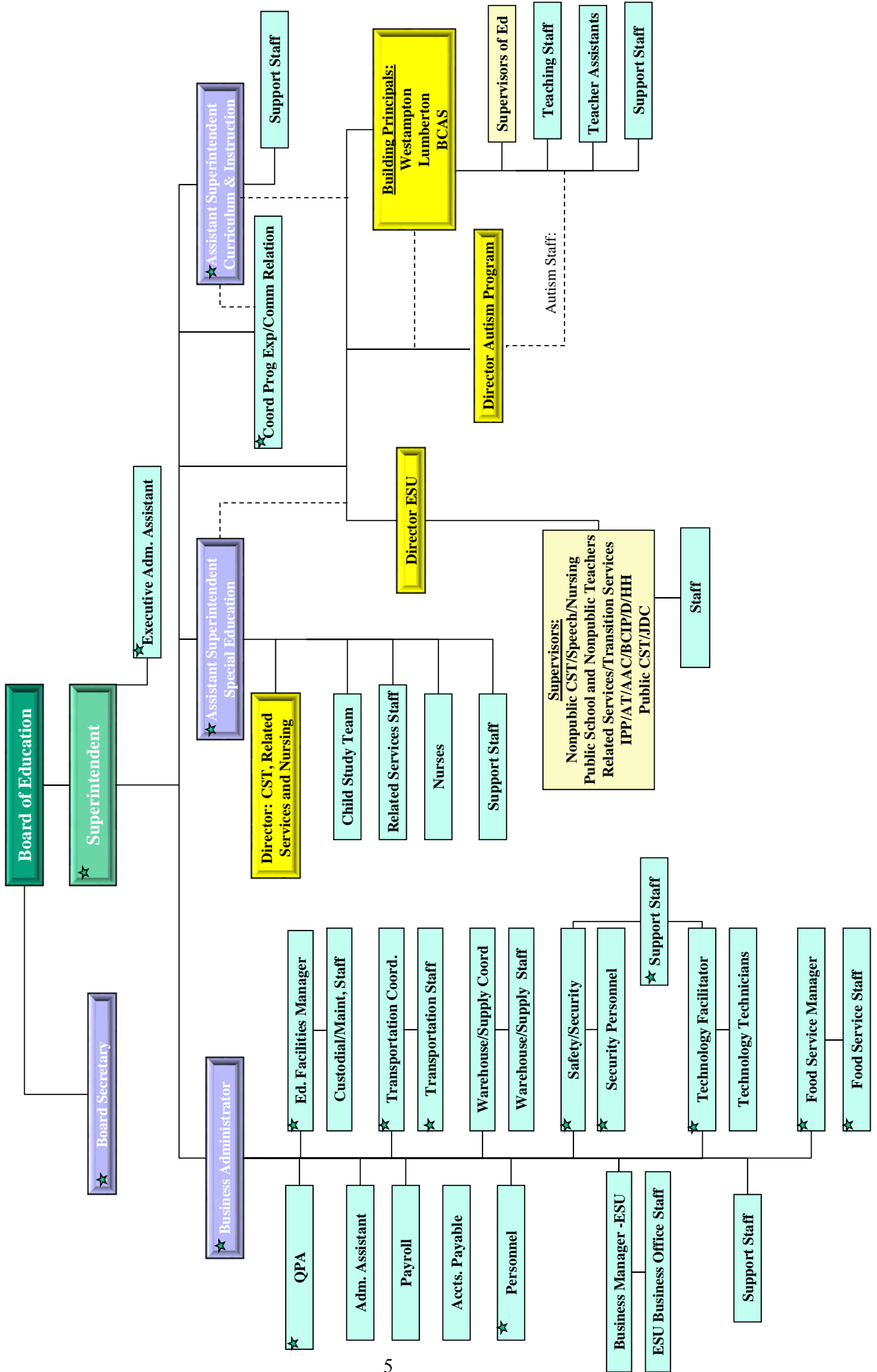


Christopher Nagy, Ed. D.
Superintendent



Theresa L. Margiotta
Business Administrator/Board Secretary

POLICY



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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert C. Silcox, President	2018
Paula D. Lee, Vice President	2018
Christopher L. Baxter, Esq.	2016
Kathleen Burgess	2016
John J. Ferry	2017
Leon E. Jones, Jr.	2017

OTHER OFFICIALS

Dr. Christopher M. Manno, Superintendent

Dr. Christopher Nagy, Superintendent (effective 7/1/2016)

Theresa L. Margiotta, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

Capehart & Scatchard, Solicitors

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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 P. 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

TD Bank
Mount Holly, NJ 08060

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Special Services School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively*, and is also not a required part of the basic financial statements.

The accompanying combining statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and

schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2016 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.

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

Medford, New Jersey
November 9, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

For the Fiscal Year Ended June 30, 2016

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, 2016.

Financial Highlights

The District's change in noncash total net position based on current year's transactions was \$(1,623,598). Enterprise funds accounted for \$16,343,398, contributions from grants and sources such as On-Behalf TPAF amount to \$8,720,831, and general revenues were \$38,414,414.

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.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on Page 37 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.

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, liabilities and deferred inflows exceeded assets and deferred outflows by \$(19,374,233) at the close of the most recent fiscal year. This deficit is caused by the current year accrual of net pension liability and compensated absences, as described in Note 17 to the financial statements.

A portion of the District's net position in the amount of \$6,820,722 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.

Government-wide Financial Analysis (continued):

A comparative analysis of fiscal year 2016:

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS		
			JUNE 30, 2016	(MEMORANDUM ONLY) JUNE 30, 2015	
Cash & Cash Equivalents	\$ -	\$ 333,398	\$ 333,398	\$ 4,058,895	*A
Internal Balances	2,859,377	(2,859,377)	-	-	
Intergovernmental Accounts Receivables:					
Other	3,513,333	1,916,457	5,429,790	4,305,127	*B
State	58,555	283	58,838	58,694	
Federal	1,725	21,213	22,938	21,521	
Inventory	-	20,495	20,495	26,428	
Restricted Assets:					
Capital Reserve Account - Cash	1,510,108	-	1,510,108	1,509,852	
Capital Assets, Non-Depreciable (Note 6):	1,750,783	-	1,750,783	-	*C
Capital Assets, Depreciable, Net (Note 6):	4,703,919	366,020	5,069,939	4,038,712	*D
Total Assets	14,397,800	(201,511)	14,196,289	14,019,229	
DEFERRED OUTFLOW OF RESOURCES					
Deferred Outflows Related to Pensions	4,352,100	-	4,352,100	2,837,549	*E
Total Deferred Outflow of Resources	4,352,100	-	4,352,100	2,837,549	
Total Assets and Deferred Outflow of Resourc	18,749,900	(201,511)	18,548,389	16,856,778	
LIABILITIES					
Cash Deficit	1,302,907	-	1,302,907	503,932	*F
Accounts Payable	160,368	81,434	241,802	174,831	
PERS Pension Payable	-	-	-	1,068,548	
Accrued Salaries	122,361	-	122,361	-	
Unearned Revenue	1,653,475	105	1,653,580	663,553	
Noncurrent Liabilities:					
Due Beyond One Year	28,984,691	-	28,984,691	30,446,705	
Total Liabilities	32,223,802	81,539	32,305,341	32,857,569	
DEFERRED INFLOW OF RESOURCES					
Deferred Inflows Related to Pensions	5,617,281	-	5,617,281	1,749,844	*G
Total Deferred Inflow of Resources	5,617,281	-	5,617,281	1,749,844	
Total Liabilities and Deferred Inflow of Resou	37,841,083	81,539	37,922,622	34,607,413	
NET POSITION					
Net Investment in Capital Assets	6,454,702	366,020	6,820,722	4,038,712	
Restricted for:					
Other Purposes	1,643,124	-	1,643,124	3,939,610	
Unrestricted	(27,189,009)	(649,070)	(27,838,079)	(25,728,957)	
Total Net Position	\$ (19,091,183)	\$ (283,050)	\$ (19,374,233)	\$ (17,750,635)	

*See next page

Government-wide Financial Analysis (continued):

*A The decrease in cash & equivalents was due to offsetting cash deficits in other funds.

*B The increase in this is primarily due to the increase in funds owed for the roofing project.

*C The increase in non-depreciable capital assets is due to the new roof project that is almost complete. Depreciation will begin to occur when the project is completed.

*D The increase in capital assets is due to an increase in purchases. See the notes to the financial statements for more details.

*E The increase in deferred outflows related to pensions is a result of GASB 68.

*F The cash deficit increase is due to cash flow issues and some funds ran at a deficit.

*G The increase in deferred outflows related to pensions is a result of GASB 68.

An additional portion of the District's net position in the amount of \$1,643,124 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.

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS		
			JUNE 30, 2016	JUNE 30, 2015	
			(MEMORANDUM ONLY)		
General Revenues:					
County Appropriation	\$ 6,550,783	\$ -	\$ 6,550,783	\$ 5,200,000	*A
Federal & State Aid Not Restricted	213,391	-	213,391	631,610	*B
Tuition - LEAs	23,818,838	-	23,818,838	25,454,600	*C
Other Tuition	7,052,945	-	7,052,945	7,469,275	
Non Resident Fees	358,446	-	358,446	344,680	
Rents and Royalties	144,083	-	144,083	-	
Miscellaneous Income	210,860	4	210,864	193,237	
Transfers	(554,419)	554,419	-	-	
Transfers from County	-	-	-	227,627	
Gain on Adjustment to Capital Assets	-	65,064	65,064	-	
Operating Grants & Contributions	8,402,593	318,238	8,720,831	8,809,927	
Charges for Services	-	16,343,938	16,343,938	16,758,481	
Total Revenues:	46,197,520	17,281,663	63,479,183	65,089,437	
Expenditures:					
Special Education	14,952,342	-	14,952,342	15,200,512	
Other Special Instruction	264,662	-	264,662	111,882	
Support Services	30,107,990	-	30,107,990	28,715,062	
Undistributed Costs	1,523,856	18,253,931	19,777,787	18,791,878	
Total Expenditures	46,848,850	18,253,931	65,102,781	62,819,334	
Change In Net Position	(651,330)	(972,268)	(1,623,598)	2,270,103	
Beginning Net Position, as restated (Note 18)	(18,439,853)	689,218	(17,750,635)	(20,020,738)	
Ending Net Position	\$ (19,091,183)	\$ (283,050)	\$ (19,374,233)	\$ (17,750,635)	

*See next page

Government-wide Financial Analysis (continued):

- *A The increase in County revenues is for the reimbursement of the roofing project.
- *B The decrease is primarily due to a decrease in Medicaid reimbursement compared to the prior year.
- *C Tuition from LEA’s decrease is from a decrease in the core student population.
- **Not this basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

Governmental Activities

Net position of the District’s governmental activities decreased by \$651,330. The decrease was a result of an adjustment to capital assets. Unrestricted net position reflects a balance of \$(27,189,009).

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	\$ 14,952,342
Other Special Instruction	264,662
Support Services:	
Student & Related Expenses	4,742,066
School Administrative Services	571,932
General & Business Services	2,984,042
Plant Operations & Maintenance	3,221,994
Pupil Transportation	303,019
Unallocated Benefits	18,284,937
Unallocated Compensated Absences	183
Unallocated Depreciation	481,067
Adjustment to Fixed Assets	965,429
Cancellation of Prior Year's Receivables	<u>77,177</u>
 Total Expenses	 <u><u>\$ 46,848,850</u></u>

The District’s Funds

The District’s governmental funds (as presented on the balance sheet on Page 37) reported a combined fund balance of \$4,703,987 which is more than last year’s total of \$8,215,788. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2016 and 2015.

	Fund Balance June 30, 2016	Fund Balance June 30, 2015	Increase (Decrease)
General Fund	<u>\$4,703,987</u>	<u>\$8,215,788</u>	<u>\$(3,511,801)</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.

	2016 Amount	2015 Amount	Percentage Change
Revenues:			
County Appropriation	\$ 4,800,000	\$ 5,200,000	-7.69%
Tuition Charges	30,871,783	32,923,875	-6.23%
Non-Resident Fees	358,446	344,680	3.99%
Rents and Royalties	144,083	-	100.00%
Miscellaneous	210,860	192,540	9.51%
State Sources	4,126,941	3,794,646	8.76%
Federal Sources	213,391	631,610	-66.21%
	<hr/>		
Total	\$ 40,725,504	\$ 43,087,351	-5.48%

The total county appropriations revenue decreased by \$400,000. Tuition revenue is down \$2,052,092. State and federal revenue is up \$332,295 and down \$418,219 respectively for the fiscal year.

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

	2016 Amount	2015 Amount	Percentage Change
Expenditures			
Special Education Instruction	\$ 14,952,342	\$ 15,200,512	-1.63%
Other Special Instruction	264,662	111,882	136.55%
Support Services & Undistributed Costs:			
Undistributed Expenditures	28,388,705	24,326,695	16.70%
	<hr/>		
Total	\$ 43,605,709	\$ 39,639,089	10.01%

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 \$6,820,722 net investment in capital assets. The majority of the 15/16 acquisitions were for transportation vehicles (Buses, Trucks) throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 6).

Debt

Under the statues, 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

The District has been experiencing a decline in core student enrollment and therefore experienced a net loss in revenue. We continue to face cash flow difficulties within the District. Despite the cash flow issues, we continue to seek new ways to enrich each and every special education student's education.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ -	\$ 333,398	\$ 333,398
Internal Balances	2,859,377	(2,859,377)	-
Intergovernmental Accounts Receivables:			
Other	3,513,333	1,916,457	5,429,790
State	58,555	283	58,838
Federal	1,725	21,213	22,938
Inventory	-	20,495	20,495
Restricted Assets:			
Capital Reserve Account - Cash	1,510,108	-	1,510,108
Capital Assets, Non-Depreciable (Note 6):	1,750,783	-	1,750,783
Capital Assets, Depreciable, Net (Note 6):	4,703,919	366,020	5,069,939
	<hr/>	<hr/>	<hr/>
Total Assets	14,397,800	(201,511)	14,196,289
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	4,352,100	-	4,352,100
	<hr/>	<hr/>	<hr/>
Total Deferred Outflow of Resources	4,352,100	-	4,352,100
	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	18,749,900	(201,511)	18,548,389
LIABILITIES			
Cash Deficit	1,302,907	-	1,302,907
Accounts Payable	160,368	81,434	241,802
Accrued Salaries	122,361	-	122,361
Unearned Revenue	1,653,475	105	1,653,580
Noncurrent Liabilities (Note 8):			
Due Beyond One Year	28,984,691	-	28,984,691
	<hr/>	<hr/>	<hr/>
Total Liabilities	32,223,802	81,539	32,305,341
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	5,617,281	-	5,617,281
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	5,617,281	-	5,617,281
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflow of Resources	37,841,083	81,539	37,922,622
NET POSITION			
Net Investment in Capital Assets	6,454,702	366,020	6,820,722
Restricted for:			
Other Purposes	1,643,124	-	1,643,124
Unrestricted	(27,189,009)	(649,070)	(27,838,079)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ (19,091,183)	\$ (283,050)	\$ (19,374,233)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2016**

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
Governmental Activities:						
Instruction:						
Special Education	\$ 14,952,342	-	-	(14,952,342)	-	(14,952,342)
Other Special Instruction	264,662	-	-	(264,662)	-	(264,662)
Support Services:						
Student & Instruction Related Services	4,742,066	-	-	(4,742,066)	-	(4,742,066)
School Administrative Services	571,932	-	-	(571,932)	-	(571,932)
General & Business Administrative Services	2,984,042	-	-	(2,984,042)	-	(2,984,042)
Plant Operations & Maintenance	3,221,994	-	-	(3,221,994)	-	(3,221,994)
Pupil Transportation	303,019	-	-	(303,019)	-	(303,019)
Unallocated Benefits	18,284,937	-	8,402,593	(9,882,344)	-	(9,882,344)
Unallocated Compensated Absences	183	-	-	(183)	-	(183)
Unallocated Depreciation	481,067	-	-	(481,067)	-	(481,067)
Adjustment to Fixed Assets	965,429	-	-	(965,429)	-	(965,429)
Cancellation of Prior Year's Accounts Receivable	77,177	-	-	(77,177)	-	(77,177)
Total Governmental Activities	46,848,850	-	8,402,593	(38,446,257)	-	(38,446,257)
Business-Type Activities:						
Food Service	1,182,337	343,349	318,238	-	(520,750)	(520,750)
School Store	719	3,330	-	-	2,611	2,611
Educational Services	14,489,923	13,711,461	-	-	(778,462)	(778,462)
VQ/CA	719,514	709,342	-	-	(10,172)	(10,172)
Alternative Education Program	1,861,438	1,576,456	-	-	(284,982)	(284,982)
Total Business-Type Activities	18,253,931	16,343,938	318,238	-	(1,591,755)	(1,591,755)
Total Primary Government	\$ 65,102,781	\$ 16,343,938	\$ 8,720,831	(38,446,257)	(1,591,755)	(40,038,012)
General Revenues:						
County Appropriation				6,550,783	-	6,550,783
Federal & State Aid Not Restricted				213,391	-	213,391
Tuition - LEAs				23,818,838	-	23,818,838
Other Tuition				7,052,945	-	7,052,945
Non Resident Fees				358,446	-	358,446
Rents and Royalties				144,083	-	144,083
Miscellaneous Income				210,860	4	210,864
Transfers				(554,419)	554,419	-
Gain/(Loss) on Adjustment to Capital Assets				-	65,064	65,064
Total General Revenues, Special Items, Extraordinary Items & Transfers				37,794,927	619,487	38,414,414
Change In Net Position				(651,330)	(972,268)	(1,623,598)
Beginning Net Position				(18,439,853)	689,218	(17,750,635)
Ending Net Position				\$ (19,091,183)	\$ (283,050)	\$ (19,374,233)

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

B. Fund Financial Statements

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Governmental Funds

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2016**

ASSETS	GENERAL FUND	CAPITAL PROJECTS FUND	TOTALS
Interfund Receivable	\$ 3,580,946	\$ -	\$ 3,580,946
Intergovernmental Accounts Receivable:			
Other	2,825,898	687,435	3,513,333
State	58,555	-	58,555
Federal	1,725	-	1,725
Restricted Cash & Cash Equivalents - Capital Reserve	1,510,108	-	1,510,108
 Total Assets	 <u>\$ 7,977,232</u>	 <u>\$ 687,435</u>	 <u>\$ 8,664,667</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Cash Deficit	\$ 1,302,907	\$ -	\$ 1,302,907
Interfund Payable	159,134	687,435	846,569
Intergovernmental Accounts Payable	31,853	-	31,853
Accounts Payable	3,515	-	3,515
Accrued Salaries	122,361	-	122,361
Unearned Revenue	1,653,475	-	1,653,475
 Total Liabilities	 <u>3,273,245</u>	 <u>687,435</u>	 <u>3,960,680</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	1,510,108	-	1,510,108
Assigned to:			
Other Purposes	133,016	-	133,016
Unassigned:			
General Fund	3,060,863	-	3,060,863
 Total Fund Balances	 <u>4,703,987</u>	 <u>-</u>	 <u>4,703,987</u>
 Total Liabilities & Fund Balances	 <u>\$ 7,977,232</u>	 <u>\$ 687,435</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 \$10,717,189 and the accumulated depreciation is \$4,262,487.	\$ 6,454,702
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	(1,265,181)
Long term liabilities, including compensated absences and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(28,984,691)</u>
Net Position of Governmental Activities	<u>\$ (19,091,183)</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, 2016**

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTALS
Revenues:			
County Appropriation	\$ 4,800,000	\$ 1,750,783	\$ 6,550,783
Tuition Charges	23,818,838	-	23,818,838
Other Tuition	7,052,945	-	7,052,945
Nonresident Fees	358,446	-	358,446
Rents and Royalties	144,083	-	144,083
Miscellaneous	210,860	-	210,860
State Sources	4,126,941	-	4,126,941
Federal Sources	213,391	-	213,391
	<hr/>		
Total Revenues	40,725,504	1,750,783	42,476,287
Expenditures:			
Current:			
Special Education Instruction	14,952,342	-	14,952,342
Other Special Instruction	264,662	-	264,662
Support Services & Undistributed Costs:			
Student & Instruction Related Services	4,742,066	-	4,742,066
School Administrative Services	571,932	-	571,932
Other Administrative Services	2,484,042	-	2,484,042
Plant Operations & Maintenance	3,265,315	-	3,265,315
Pupil Transportation	303,019	-	303,019
Capital Outlay	2,835,187	1,750,783	4,585,970
Unallocated Benefits	14,187,144	-	14,187,144
	<hr/>		
Total Expenditures	43,605,709	1,750,783	45,356,492
Excess/(Deficiency) of Revenues Over Expenditures			
	<hr/>	-	<hr/>
	(2,880,205)		(2,880,205)
Other Financing Sources/(Uses):			
Board Contribution to Enterprise Funds	(554,419)	-	(554,419)
Cancellation of Prior Year Accounts Receivable	(77,177)	-	(77,177)
	<hr/>		
Total Other Financing Sources & Uses	(631,596)	-	(631,596)
Net Change in Fund Balances			
	(3,511,801)	-	(3,511,801)
Fund Balance - July 1	<hr/>	-	<hr/>
	8,215,788		8,215,788
Fund Balance - June 30			
	<hr/>	-	<hr/>
	\$ 4,703,987	\$	\$ 4,703,987

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (3,511,801)

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

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

Capital Outlay	\$	4,629,291	
Capital Assets Purchased through Student Activities		134,929	
Contribution for County Debt Service		(500,000)	
Adjustments Per District Reappraisal		(1,100,358)	
Depreciation Expense		<u>(481,067)</u>	2,682,795

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

PERS District Pension Contribution - 2016		1,068,548	
State Share of Unfunded TPAF Pension Expense		4,275,652	
Unfunded TPAF Pension Expense		(4,275,652)	
Pension Expense		<u>(890,689)</u>	177,859

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		1,084,224	
Current Year Compensated Absences		<u>(1,084,407)</u>	(183)

Change in Net Position of Governmental Activities \$ (651,330)

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Proprietary Funds

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINED STATEMENT OF NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016**

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	TOTALS
Current Assets:							
Cash & Cash Equivalents	\$ 56,601	\$ 236	\$ 41,676	\$ 71,695	\$ 163,190	\$ -	\$ 333,398
Interfund Receivable	34,134	-	-	-	-	-	34,134
Receivable:							
State	283	-	-	-	-	-	283
Federal	21,213	-	-	-	-	-	21,213
Other	-	518	-	1,444,946	-	470,993	1,916,457
Inventories	10,972	5,960	3,563	-	-	-	20,495
Total Current Assets	123,203	6,714	45,239	1,516,641	163,190	470,993	2,325,980
Capital Assets:							
Equipment	333,299	31,773	1,527	382,416	-	190,685	939,700
Less: Accumulated Depreciation	(159,215)	(2,118)	(1,527)	(382,416)	-	(28,404)	(573,680)
Total Capital Assets	174,084	29,655	-	-	-	162,281	366,020
Total Assets	297,287	36,369	45,239	1,516,641	163,190	633,274	2,692,000
LIABILITIES							
Accounts Payable	69,440	9,741	-	-	-	2,253	81,434
Interfund Payables	-	25,422	-	1,776,484	-	1,091,605	2,893,511
Unearned Revenue	105	-	-	-	-	-	105
Total Liabilities	69,545	35,163	-	1,776,484	-	1,093,858	2,975,050
NET POSITION							
Net Investment in Capital Assets	174,084	29,655	-	-	-	162,281	366,020
Unrestricted	53,658	(28,449)	45,239	(259,843)	163,190	(622,865)	(649,070)
Total Net Position	\$ 227,742	\$ 1,206	\$ 45,239	\$ (259,843)	\$ 163,190	\$ (460,584)	\$ (283,050)

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, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND						TOTALS
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	
OPERATING REVENUES							
Local Sources:							
Daily Sales - Reimbursable Programs:							
School Lunch & Breakfast Programs	\$ 70,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,930
Daily Sales - Nonreimbursable Programs	78,551	73,140	-	-	-	-	151,691
Special Functions	102,478	6,520	-	-	-	-	108,998
Fees for Services	-	-	-	13,711,461	-	-	13,711,461
Other Revenue	194	11,536	-	-	709,342	1,576,456	2,297,528
Sale of Merchandise	-	-	3,330	-	-	-	3,330
Total Operating Revenue	252,153	91,196	3,330	13,711,461	709,342	1,576,456	16,343,938
OPERATING EXPENSES							
Salaries & Wages	556,758	60,913	-	6,751,700	700,474	76,125	8,145,970
Health Benefits	-	-	-	1,080,000	-	-	1,080,000
Purchased Professional Services	132,429	-	-	851,475	-	1,549,565	2,533,469
Purchased Services - Transportation	-	-	-	4,985,872	-	-	4,985,872
Rental of Land and Buildings	-	-	-	-	-	167,354	167,354
Repairs	9,278	-	-	61,900	-	294	71,472
Supplies & Materials	31,262	10,399	-	469,173	-	17,164	527,998
Other Objects	-	-	-	-	-	8,077	8,077
Depreciation	19,826	2,118	-	-	-	14,202	36,146
Miscellaneous Expenditures	20,991	5,000	-	7,884	19,040	12,227	65,142
Cost of Sales	290,030	43,333	719	-	-	-	334,082
Total Operating Expenses	1,060,574	121,763	719	14,208,004	719,514	1,845,008	17,955,582
Operating Gain/(Loss)	(808,421)	(30,567)	2,611	(496,543)	(10,172)	(268,552)	(1,611,644)
Nonoperating Revenues:							
State Sources:							
State School Lunch Program	3,860	-	-	-	-	-	3,860
Federal Source:							
School Breakfast Program	96,098	-	-	-	-	-	96,098
National School Lunch Program	183,916	-	-	-	-	-	183,916
Food Distribution Program	34,364	-	-	-	-	-	34,364
Interest Income	-	-	4	-	-	-	4
Operating Transfer In/(Out) General Fund Board Contribution	522,646	31,773	-	-	-	-	554,419
Cancellation of Accounts Receivable	-	-	-	(281,919)	-	(16,430)	(298,349)
Gain/(Loss) on Adjustment to Capital Assets	65,064	-	-	-	-	-	65,064
Total Nonoperating Revenues/Expenses	905,948	31,773	4	(281,919)	-	(16,430)	639,376
Change in Net Position	97,527	1,206	2,615	(778,462)	(10,172)	(284,982)	(972,268)
Total Net Position - Beginning	130,215	-	42,624	518,619	173,362	(175,602)	689,218
Total Net Position - Ending	\$ 227,742	\$ 1,206	\$ 45,239	\$ (259,843)	\$ 163,190	\$ (460,584)	\$ (283,050)

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, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNE							TOTALS
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM		
Cash Flows From Operating Activities:								
Receipts from Customers	\$ 252,153	\$ 90,678	\$ 3,330	\$ 13,706,835	\$ 709,342	\$ 1,391,532	\$ 16,153,870	
Payments to Employees	(556,758)	-	-	(4,975,046)	(700,474)	(76,125)	(6,308,403)	
Payments to Suppliers	(409,139)	(119,608)	(1,352)	(8,655,967)	(19,040)	(1,752,428)	(10,957,534)	
Net Cash Provided/(Used) by Operating Activities	(713,744)	(28,930)	1,978	75,822	(10,172)	(437,021)	(1,112,067)	
Cash Flows From Noncapital Financing Activities:								
State Sources	3,980	-	-	-	-	-	3,980	
Federal Sources	314,686	-	-	-	-	-	314,686	
Operating Subsidies & Transfers to Other Funds	522,646	86,773	-	-	-	1,091,605	1,701,024	
Net Cash Provided/(Used) by Noncapital Financing Activities	841,312	86,773	-	-	-	1,091,605	2,019,690	
Cash Flows From Capital & Related Financing Activities:								
Purchases of Capital Assets	(38,524)	(31,773)	-	-	-	-	(70,297)	
Net Cash Provided/(Used) by Capital & Related Financing Activities	(38,524)	(31,773)	-	-	-	-	(70,297)	
Cash Flows From Investing Activities:								
Interest & Dividends	-	-	4	-	-	-	4	
Net Cash Provided/(Used) by Investing Activities	-	-	4	-	-	-	4	
Net Increase/(Decrease) in Cash & Cash Equivalents								
Balances - Beginning of Year	89,044	26,070	1,982	75,822	(10,172)	654,584	837,330	
Balances - End of Year	(32,443)	(25,834)	39,694	(4,127)	173,362	(654,584)	(503,932)	
	\$ 56,601	\$ 236	\$ 41,676	\$ 71,695	\$ 163,190	\$ -	\$ 333,398	

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

Operating Income/(Loss)	\$ (808,421)	\$ (30,567)	\$ 2,611	\$ (496,543)	\$ (10,172)	\$ (268,552)	\$ (1,611,644)	
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:								
Depreciation & Net Amortization	19,826	2,118	-	-	-	14,202	36,146	
(Increase)/Decrease in Accounts Receivable, Net	-	(518)	-	(4,626)	-	(184,924)	(190,068)	
(Increase)/Decrease in Inventories	5,306	1,260	(633)	-	-	-	5,933	
Increase/(Decrease) in Unearned Revenue	105	-	-	-	-	-	105	
Increase/(Decrease) in Accounts Payable	69,440	(1,223)	-	576,991	-	2,253	647,461	
Total Adjustments	94,677	1,637	(633)	572,365	-	(168,469)	499,577	
Net Cash Provided/(Used) by Operating Activities	\$ (713,744)	\$ (28,930)	\$ 1,978	\$ 75,822	\$ (10,172)	\$ (437,021)	\$ (1,112,067)	

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

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Fiduciary Fund

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	DONATION TRUST	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL FUND	
Cash & Cash Equivalents	\$ 65,617	\$ 64,693	\$ 183,410	\$ 251,334	\$ 565,054
Interfund Receivable	-	-	125,000	-	125,000
Total Assets	65,617	64,693	308,410	251,334	690,054
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	250,419	250,419
Unemployment Claims Payable	-	64,693	-	-	64,693
Due to Employees - Flex Spending	-	-	-	915	915
Payable to Student Groups	-	-	308,410	-	308,410
Total Liabilities	-	64,693	308,410	251,334	624,437
NET POSITION					
Reserved for Students	65,617	-	-	-	65,617
Total Net Position	\$ 65,617	\$ -	\$ -	\$ -	\$ 65,617

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, 2016**

	PRIVATE PURPOSE		TOTALS
	DONATION TRUST	UNEMPLOYMENT TRUST	
ADDITIONS			
Donations	\$ 500	\$ -	\$ 500
Employee Contributions	-	242,708	242,708
Total Contributions	500	242,708	243,208
Interest Earnings	1	-	1
Total Additions	501	242,708	243,209
DEDUCTIONS			
Disbursements	-	211,909	211,909
Total Deductions	-	211,909	211,909
Change in Net Position	501	30,799	31,300
Net Position - Beginning of the Year	65,116	(30,799)	34,317
Net Position - End of the Year	\$ 65,617	\$ -	\$ 65,617

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, 2016

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

The financial statements of the Burlington County Special Services School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

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 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, 2016 of 695 students.

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

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

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

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The District had no component units as of for the year ended June 30, 2016.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The District reports the following major proprietary fund:

Enterprise Fund- 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 composed of the Food Service Fund, the Human Services Facility Food Service Fund, the school Store Fund, the Educational Services Unit, the VQ/CA Fund and the Alternative Education Program.

All propriety 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:

Equipment	15 Years
Light Trucks & Vehicle	4 Years
Heavy Trucks & Vehicle	6 Years

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Donation Trust Fund - Revenues consist of donations from various residents. Expenditures consist of various payments for the district.

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources.

Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 9, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2. Cash and Cash Equivalents (continued):

in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District's bank balance of \$5,184,709 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Collateralized by securities held by Pledging financial institution	4,299,339
Uninsured and uncollateralized	<u>635,370</u>
Total	<u>\$ 5,184,709</u>

Investments

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

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

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

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

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

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

The District did not hold any investments at June 30, 2016.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 3. Reserve Accounts

A. 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 June 30, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 1,509,852
Add: Interest	<u>256</u>
Ending Balance, June 30, 2016	<u><u>\$ 1,510,108</u></u>

Note 4. Transfers to Capital Outlay

During the year ending June 30, 2016, the District transferred \$2,744,824 to capital outlay accounts.

Note 5. Inventory

Inventory in the Enterprise Funds at June 30, 2016 consisted of the following:

Food Service Fund - Food & Supplies	\$ 10,972
Human Services Facility - Food & Supplies	5,960
School Store - Clothing & Other Resale Items	<u>3,563</u>
Total Inventory	<u><u>\$ 20,495</u></u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 6. Capital Assets

The following schedule is a summarization of the general capital assets recorded at historical cost by source for the fiscal year ended June 30, 2016:

	June 30, 2015	Additions	Deletions	Transfers/ Adjustments	June 30, 2016
Governmental Activities:					
Capital assets that are not being depreciated:					
Construction in progress	\$ 1,446,007	\$ 1,750,783	\$ -	\$ (1,446,007)	\$ 1,750,783
Total capital assets not being depreciated	<u>1,446,007</u>	<u>1,750,783</u>	<u>-</u>	<u>(1,446,007)</u>	<u>1,750,783</u>
Land improvements	-	17,415	-	1,762,520	1,779,935
Buildings and improvements	-	-	-	1,345,628	1,345,628
Machinery and equipment	<u>6,864,470</u>	<u>2,496,022</u>	<u>-</u>	<u>(3,519,649)</u>	<u>5,840,843</u>
Subtotal	<u>6,864,470</u>	<u>2,513,437</u>	<u>-</u>	<u>(411,501)</u>	<u>8,966,406</u>
Less: accumulated depreciation:					
Land improvements	-	(88,344)	-	(799,428)	(887,772)
Buildings and improvements	-	(28,205)	-	(577,783)	(605,988)
Machinery and equipment	<u>(4,538,570)</u>	<u>(364,518)</u>	<u>-</u>	<u>2,134,361</u>	<u>(2,768,727)</u>
Total accumulated depreciation	<u>(4,538,570)</u>	<u>(481,067)</u>	<u>-</u>	<u>757,150</u>	<u>(4,262,487)</u>
Total capital assets being depreciated, net	<u>2,325,900</u>	<u>2,032,370</u>	<u>-</u>	<u>345,649</u>	<u>4,703,919</u>
Governmental activities capital assets, net	<u>\$ 3,771,907</u>	<u>\$ 3,783,153</u>	<u>\$ -</u>	<u>\$ (1,100,358)</u>	<u>\$ 6,454,702</u>

The following schedule is a summary of the proprietary fund type capital assets at June 30, 2016:

	June 30, 2015	Additions	Deletions	Adjustments	June 30, 2016
Machinery & Equipment	\$ 896,407	\$ 70,297	\$ -	\$ (27,004)	\$ 939,700
Subtotal	896,407	70,297	-	(27,004)	939,700
Accumulated Depreciation	<u>(629,602)</u>	<u>(36,146)</u>	<u>-</u>	<u>92,068</u>	<u>(573,680)</u>
Total	<u>\$ 266,805</u>	<u>\$ 34,151</u>	<u>\$ -</u>	<u>\$ 65,064</u>	<u>\$ 366,020</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 7. Receivables

Receivables at June 30, 2016 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectable in full due to the stable condition of the other governmental units, State programs and the current year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and proprietary funds, in the aggregate, are as follows:

	General Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 58,555	\$ -	\$ 283	\$ 58,838
Federal Aid	1,725	-	21,213	22,938
Other	2,825,898	687,435	1,916,457	5,429,790
Total	\$ 2,886,178	\$ 687,435	\$ 1,937,953	\$ 5,511,566

Note 8. Long-Term Obligations

During the fiscal year ended June 30, 2016 the following changes occurred in long-term obligations:

	June 30, 2015	Accrued/ Increases	Retired/ Decreases	June 30, 2016	Due Within One Year:
Compensated Absences Payable	\$ 1,084,224	\$ 183	\$ -	\$ 1,084,407	\$ -
Net Pension Payable	29,362,481	-	(1,462,197)	27,900,284	-
Total	\$ 30,446,705	\$ 183	\$ (1,462,197)	\$ 28,984,691	\$ -

A. Bonds Payable

As of June 30, 2016, the District had no bonds payable outstanding.

B. Bonds Authorized But Not Issued

As of June 30, 2016, the District had no authorized but not issued bonds.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 1,068,548	100%	\$ 27,900,284
6/30/2015	1,275,481	100%	29,362,481
6/30/2014	1,209,733	100%	28,971,793

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$27,900,284 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.12429% percent, which was a decrease of 0.03254% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u> July 1, 2015	<u>6/30/2015</u> July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 4,352,100	\$ 2,837,549
Deferred Inflows of Resources	\$ 5,617,281	\$ 1,749,844
Net Pension Liability	\$ 27,900,284	\$ 29,362,481
District's portion of the Plan's total Net Pension Liability	0.12429%	0.15683%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$(177,859). At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,996,268	\$ -
Net difference between expected and actual experience	665,603	
Net difference between projected and actual earnings on pension plan investments	-	448,583
Changes in proportion and differences between District contributions and proportionate share of contributions	690,229	5,168,698
	<u>\$ 4,352,100</u>	<u>\$ 5,617,281</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	(284,307)
2018	(284,307)
2019	(284,307)
2020	(284,307)
2021	(127,953)
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.01%

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	100.00%	

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 34,676,639	\$ 27,900,284	\$ 22,219,037

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

**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
6/30/2016	\$ 2,973,630	100%	-
6/30/2015	2,627,756	100%	-
6/30/2014	2,214,791	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 9. Pension Obligations (continued):

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

to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

Defined Contribution Retirement Plan (DCRP) – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions totaled \$81,957, and the District recognized pension expense of \$47,267.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf.. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

A complete schedule of insurance coverage can be found in the “Statistical Section” of the report.

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

Fiscal Year	Distict Contributions	Employee Contributions	Interest	Claims	Ending Balance
2015-2016	\$ -	\$ 242,708	\$ -	\$ 211,909	\$ -
2014-2015	-	27,172	4	64,103	(30,799)
2013-2014	-	-	3	-	6,128

Note 12. Contingencies

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined statements for such contingencies.

Note 13. Economic Dependency

The District participates in numerous state grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material. The School District is dependent on the State of New Jersey and tuition from sending Districts for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District’s future operation is not yet determinable.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 14. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2016:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,580,946	\$ 159,134
Capital Projects Fund	-	687,435
Food Service	34,134	-
Educational Services Unit	-	1,776,484
Human Services	-	25,422
Alternative Education Fund	-	1,091,605
Student Activities	125,000	-
	<hr/>	
Total	<u>\$ 3,740,080</u>	<u>\$ 3,740,080</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 7,633,146	\$ 10,270,555
Capital Projects Fund	912,250	-
Educational Services Unit	8,211,700	7,627,695
Human Services	55,000	-
Alternative Education Fund	1,091,605	-
Payroll Trust Fund	-	5,451
	<hr/>	<hr/>
	<u>\$ 17,903,701</u>	<u>\$ 17,903,701</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 15. 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 15. Compensated Absences (continued):

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$1,084,407.

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, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 16. Fund Balance Disclosures

General Fund – of the \$4,703,987 General Fund fund balance at June 30, 2016, \$1,510,108 has been restricted for the Capital Reserve Account; \$133,016 has been assigned to other purposes and \$3,060,863 is unassigned.

Note 17. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position for the Governmental Activities in the amount of \$27,189,009 at June 30, 2016. The primary causes of this deficit includes the District recording of long-term liabilities for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

The School District had a deficit in unrestricted net position for the Business-Type Activities in the amount of \$649,070 at June 30, 2016. The primary cause of this deficit includes tuition rates and utilization being insufficient to support operations.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 4,800,000	\$ -
Tuition - LEAs	10-1310	24,439,269	-	24,439,269	23,818,838	(620,431)
Other Tuition	10-1320-1340	7,838,280	-	7,838,280	7,052,945	(785,335)
Nonresident Fees	10-1350	434,000	-	434,000	358,446	(75,554)
Rents and Royalties	10-1910	290,000	-	290,000	144,083	(145,917)
Interest Earned on Capital Reserve	10-1XXX	7,000	-	7,000	256	(6,744)
Miscellaneous	10-1XXX	200,000	-	200,000	210,604	10,604
Total Local Sources		38,008,549	-	38,008,549	36,385,172	(1,623,377)
State Sources:						
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,616,257	1,616,257
On-Behalf TPAF Pension Contributions		-	-	-	1,357,373	1,357,373
Reimbursed TPAF Social Security Contributions		-	-	-	1,153,311	1,153,311
Total State Sources		-	-	-	4,126,941	4,126,941
Federal Sources:						
Special Education Aid - Medicaid Initiative	11-4200-000	100,000	-	100,000	213,391	113,391
Total Federal Services		100,000	-	100,000	213,391	113,391
Total Revenues		38,108,549	-	38,108,549	40,725,504	2,616,955
Expenditures:						
Current Expense:						
Special Education - Instruction:						
Auditory Impairments:						
Purchased Professional Education Services	11-207-100-330	150,000	103,660	253,660	253,660	-
Total Auditory Impairments		150,000	103,660	253,660	253,660	-
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	1,800,394	131,458	1,931,852	1,931,852	-
Other Salaries for Instruction	11-209-100-106	872,609	(16,146)	856,463	856,463	-
Unused Vacation Payment Term/Retired	11-209-100-199	-	1,658	1,658	1,658	-
Purchased Professional Education Services	11-209-100-320	153,000	(118,041)	34,959	34,959	-
Y.M.C.A.	11-209-100-330	-	99,175	99,175	99,175	-
Other Purchased Services	11-209-100-500	52,322	(14,101)	38,221	38,221	-
General Supplies	11-209-100-610	111,376	(44,549)	66,827	58,840	7,987
Textbooks	11-209-100-640	10,841	(6,048)	4,793	4,793	-
Total Behavioral Disabilities		3,000,542	33,406	3,033,948	3,025,961	7,987
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	3,830,026	(281,041)	3,548,985	3,548,985	-
Other Salaries for Instruction	11-212-100-106	2,730,622	(657,762)	2,072,860	2,072,860	-
Unused Vacation Payment Term/Retired	11-212-100-199	-	36,122	36,122	36,122	-
Purchased Technical Services	11-212-100-320	174,000	86,853	260,853	260,853	-
Y.M.C.A.	11-212-100-330	-	133,345	133,345	133,345	-
Other Purchased Services	11-212-100-500	92,540	(1,212)	91,328	91,328	-
General Supplies	11-212-100-610	129,294	(35,350)	93,944	86,449	7,495
Textbooks	11-212-100-640	13,000	(7,333)	5,667	5,667	-
Total Multiple Disabilities		6,969,482	(726,378)	6,243,104	6,235,609	7,495

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Autism:						
Salaries of Teachers	11-214-100-101	1,365,038	148,008	1,513,046	1,513,046	-
Other Salaries for Instruction	11-214-100-106	1,702,962	(193,752)	1,509,210	1,509,210	-
Unused Vacation Payment Term/Retired	11-214-100-199	-	15,576	15,576	15,576	-
Purchased Professional Educational Services	11-214-100-320	119,000	72,945	191,945	191,945	-
Y.M.C.A.	11-214-100-330	-	30,455	30,455	30,455	-
Other Purchased Services	11-214-100-500	102,805	(5,086)	97,719	97,719	-
General Supplies	11-214-100-610	60,902	(28,373)	32,529	32,529	-
Total Autism		3,350,707	39,773	3,390,480	3,390,480	-
Preschool Disabilities -Full-Time:						
Salaries of Teachers	11-216-100-101	205,454	(30,771)	174,683	174,683	-
Other Salaries for Instruction	11-216-100-106	149,435	(65,931)	83,504	83,504	-
Purchased Professional Educational Services	11-216-100-320	28,000	(22,601)	5,399	5,399	-
Y.M.C.A.	11-216-100-330	-	18,327	18,327	18,327	-
Other Purchased Services	11-216-100-500	1,139	(1,139)	-	-	-
General Supplies	11-216-100-610	13,200	(9,756)	3,444	3,444	-
Total Preschool Disabilities - Full-Time		397,228	(111,871)	285,357	285,357	-
Home Instruction:						
Salaries of Teachers	11-219-100-101	5,000	19,868	24,868	24,868	-
Total Home Instruction		5,000	19,868	24,868	24,868	-
Extended School Year:						
Salaries of Teachers	11-221-100-101	575,680	(7,648)	568,032	568,032	-
Other Salaries for Instruction	11-221-100-106	321,750	(72,978)	248,772	248,772	-
Purchased Professional Educational Services	11-221-100-320	6,000	(6,000)	-	-	-
Total Extended School Year		903,430	(86,626)	816,804	816,804	-
Cognitive Severe:						
Salaries of Teachers	11-222-100-101	589,471	(162,811)	426,660	426,660	-
Other Salaries for Instruction	11-222-100-106	329,529	93,955	423,484	423,484	-
Purchased Professional Educational Services	11-222-100-320	30,000	31,138	61,138	61,138	-
Other Purchased Services	11-222-100-500	1,300	(1,120)	180	180	-
General Supplies	11-222-100-610	14,575	(6,434)	8,141	8,141	-
Total Cognitive-Severe		964,875	(45,272)	919,603	919,603	-
Total Special Education - Instruction		15,741,264	(773,440)	14,967,824	14,952,342	15,482
School Sponsored Cocurricular Activities:						
Salaries (Stipends)	11-401-100-100	120,000	142,484	262,484	262,484	-
Other Purchased Services	11-401-100-500	4,500	(2,955)	1,545	1,545	-
Supplies and Materials	11-401-100-600	1,500	(867)	633	633	-
Total School Sponsored Cocurricular Activities		126,000	138,662	264,662	264,662	-
Community Services:						
Salaries	11-800-330-100	9,594	2,212	11,806	11,806	-
Supplies and Materials	11-800-330-600	500	(500)	-	-	-
Total Community Services		10,094	1,712	11,806	11,806	-
Total Instruction		15,877,358	(633,066)	15,244,292	15,228,810	15,482

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Health Services:						
Salaries	11-000-213-100	486,763	(48,532)	438,231	438,231	-
Purchased Professional Services	11-000-213-300	20,678	4,152	24,830	24,830	-
Other Purchased Services	11-000-213-500	-	213	213	213	-
Supplies and Materials	11-000-213-600	11,929	(1,323)	10,606	10,606	-
Total Health Services		519,370	(45,490)	473,880	473,880	-
Other Related Services						
Services:						
Salaries	11-000-216-100	2,256,300	(173,195)	2,083,105	2,083,105	-
Purchased Prof. Services	11-000-216-300	50,000	155,066	205,066	205,066	-
Supplies & Materials	11-000-216-600	13,805	559	14,364	14,364	-
Total Other Related Services		2,320,105	(17,570)	2,302,535	2,302,535	-
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	187,135	72,146	259,281	259,281	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	246,763	(25,544)	221,219	221,219	-
Other Salaries	11-000-219-110	1,076,084	(20,230)	1,055,854	1,055,854	-
Unused Vacation Payment Term/Unused	11-000-219-199	-	34,068	34,068	34,068	-
Purchased Ed Services	11-000-219-320	50,000	43,458	93,458	93,458	-
Purchased Technical Services	11-000-219-390	37,000	41,785	78,785	78,785	-
Other Purchased Services	11-000-219-500	7,400	(6,269)	1,131	1,131	-
Supplies & Materials	11-000-219-600	13,546	(3,449)	10,097	10,097	-
Other Objects	11-000-219-800	3,496	(2,017)	1,479	1,479	-
Total Other Support Services - Students - Special Services		1,621,424	133,948	1,755,372	1,755,372	-
Improvement of Instruction Services/Other						
Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	79,619	(1,236)	78,383	78,383	-
Salaries of Other Professional Staff	11-000-221-104	10,000	3,414	13,414	13,414	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	40,775	(20,157)	20,618	20,618	-
Other Purchased Services	11-000-221-500	31,500	21,437	52,937	52,937	-
Supplies and Materials	11-000-221-600	7,600	(1,326)	6,274	6,274	-
Other Objects	11-000-221-800	3,800	(338)	3,462	3,462	-
Total Improvement of Instruction Services/Other Support Services Instructional Staff		173,294	1,794	175,088	175,088	-
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	8,000	(8,000)	-	-	-
Other Purchased Services	11-000-223-500	30,200	(11,415)	18,785	18,785	-
Supplies and Materials	11-000-223-600	5,000	(400)	4,600	4,600	-
Total Instructional Staff Training Services		43,200	(19,815)	23,385	23,385	-
Support Services General Administration:						
Salaries	11-000-230-100	110,735	41,521	152,256	152,256	-
Admin Unused Vacation-Retire Term	11-000-230-199	-	8,116	8,116	8,116	-
Legal Services	11-000-230-331	114,850	(37,518)	77,332	77,332	-
Audit Fees	11-000-230-332	45,000	16,140	61,140	61,140	-
Other Purchased Professional Services	11-000-230-339	25,000	33,556	58,556	58,556	-
Communications/Telephone	11-000-230-530	275,000	(80,776)	194,224	194,224	-
BOE Other Purchased Services	11-000-230-585	10,000	(1,567)	8,433	8,433	-
Supplies and Materials	11-000-230-610	1,500	(1,500)	-	-	-
Miscellaneous Expenditures	11-000-230-890	10,000	(825)	9,175	9,175	-
BOE Membership Dues and Fees	11-000-230-895	10,000	(7,300)	2,700	2,700	-
Total Support Services General Administration		602,085	(30,153)	571,932	571,932	-

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	606,143	105,830	711,973	711,973	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	242,418	(24,968)	217,450	217,450	-
Unused Vacation Payment Term/Retired	11-000-240-199	-	8,154	8,154	8,154	-
Purchased Professional & Tech Services	11-000-240-300	100,000	113,252	213,252	213,252	-
Other Purchased Services	11-000-240-500	1,150	752	1,902	1,902	-
Supplies and Materials	11-000-240-600	15,164	(8,915)	6,249	6,249	-
Other Objects	11-000-240-800	9,689	6,291	15,980	15,980	-
Total Support Services School Administration		974,564	200,396	1,174,960	1,174,960	-
Support Services Central Services						
Salaries	11-000-251-100	628,431	(5,243)	623,188	623,188	-
Purchased Professional Services	11-000-251-330	145,000	(109,950)	35,050	35,050	-
Other Purchased Services	11-000-251-592	9,800	65,794	75,594	75,594	-
Supplies and Materials	11-000-251-600	31,500	(19,331)	12,169	12,169	-
Other Objects	11-000-251-890	312,500	(281,115)	31,385	31,385	-
Total Support Services Central Services		1,127,231	(349,845)	777,386	777,386	-
Support Services Administrative Information Technology:						
Salaries	11-000-252-100	153,801	71,615	225,416	225,416	-
Other Purchased Professional Services	11-000-252-330	125,000	441	125,441	122,761	2,680
Supplies and Materials	11-000-252-600	85,000	121,481	206,481	182,295	24,186
Other Objects	11-000-252-800	2,000	(776)	1,224	1,224	-
Total Support Services Administrative Information Technology		365,801	192,761	558,562	531,696	26,866
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	458,294	(1,030)	457,264	457,264	-
Cleaning, Repair & Maintenance Services	11-000-261-420	245,000	(33,320)	211,680	197,621	14,059
General Supplies	11-000-261-610	147,000	(50,625)	96,375	96,375	-
Other Objects	11-000-261-800	3,850	1,792	5,642	5,642	-
Total Allowable Maintenance for School Facilities		854,144	(83,183)	770,961	756,902	14,059
Operation & Maintenance of Plant:						
Salaries	11-000-262-100	880,522	112,576	993,098	993,098	-
Unused Vacation Payment Term/Retired	11-000-262-199	-	24,241	24,241	24,241	-
Purchased Professional & Technical Services	11-000-262-300	139,472	(94,445)	45,027	43,927	1,100
Cleaning, Repair & Maintenance Services	11-000-262-420	46,500	22,351	68,851	55,543	13,308
Other Purchased Property Services	11-000-262-490	95,000	(12,038)	82,962	82,962	-
Insurance	11-000-262-520	234,600	(9,334)	225,266	225,266	-
General Supplies	11-000-262-610	134,000	(20,384)	113,616	100,444	13,172
Energy (Natural Gas)	11-000-262-621	275,000	(127,387)	147,613	147,613	-
Energy (Electricity)	11-000-262-622	525,000	(116,286)	408,714	408,714	-
Other Objects	11-000-262-800	3,500	(241)	3,259	3,259	-
Total Operation & Maintenance of Plant		2,333,594	(220,947)	2,112,647	2,085,067	27,580
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	10,000	2,926	12,926	12,926	-
General Supplies	11-000-263-610	20,000	(4,098)	15,902	15,902	-
Total Care & Upkeep of Grounds		30,000	(1,172)	28,828	28,828	-
Total Operation & Maintenance of Plant Services & Allowable Maintenance for School Facilities		3,217,738	(305,302)	2,912,436	2,870,797	41,639

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Security Services:						
Salaries	11-000-266-100	75,528	(72,810)	2,718	2,718	-
Purchased Professional & Technical Services	11-000-266-330	190,000	113,767	303,767	303,767	-
Security	11-000-266-390	-	71,918	71,918	71,918	-
General Supplies	11-000-266-610	5,000	43,815	48,815	16,115	32,700
Total Security Services		270,528	156,690	427,218	394,518	32,700
Student Transportation Services:						
Salaries Pupil Transportation (Between Home & School) Nonpublic	11-000-270-163	291,259	(369)	290,890	290,890	-
Cleaning, Repair, & Maintenance Services	11-000-270-420	15,000	(2,871)	12,129	12,129	-
Total Student Transportation Services		306,259	(3,240)	303,019	303,019	-
Unallocated Benefits Employee Benefits:						
Social Security Contributions	11-000-291-220	1,060,500	(31,108)	1,029,392	1,029,392	-
Other Retirement Contributions - Regular	11-000-291-241	1,234,564	(92,881)	1,141,683	1,141,683	-
Unemployment Compensation	11-000-291-250	85,000	68,671	153,671	153,671	-
Workmen's Compensation	11-000-291-260	768,500	(72,671)	695,829	695,829	-
Health Benefits	11-000-291-270	6,731,813	254,540	6,986,353	6,986,353	-
Benefits Unused Sick Retired-Terminated	11-000-291-299	-	15,000	15,000	15,000	-
Tuition Reimbursement	11-000-291-280	71,000	(32,725)	38,275	38,275	-
Total Unallocated Benefits - Employee Benefits		9,951,377	108,826	10,060,203	10,060,203	-
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,616,257	(1,616,257)
On-Behalf TPAF Pension Contributions		-	-	-	1,357,373	(1,357,373)
Reimbursed TPAF Social Security Contributions		-	-	-	1,153,311	(1,153,311)
Total Undistributed Expenditures		21,492,976	23,000	21,515,976	25,541,712	(4,025,736)
Total Expenditures - Current Expense		37,370,334	(610,066)	36,760,268	40,770,522	(4,010,254)
Capital Outlay:						
Administration Information Technology	12-000-252-730	25,000	27,837	52,837	52,201	636
Equipment - High School and Middle School	12-212-100-731	33,780	(8,392)	25,388	25,388	-
Maintenance Equipment	12-000-262-732	30,000	85,161	115,161	73,201	41,960
Security Equipment	12-000-266-730	-	650,919	650,919	650,919	-
Transportation Equipment	12-000-270-730	-	155,747	155,747	103,441	52,306
Interest Deposit to Capital Reserve	10-604	7,000	-	7,000	-	7,000
Total Equipment		95,780	911,272	1,007,052	905,150	101,902
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	250,000	1,333,552	1,583,552	1,430,037	153,515
Contribution for County Debt Service	12-000-510-900	-	500,000	500,000	500,000	-
Total Facilities Acquisition & Construction Services:		250,000	1,833,552	2,083,552	1,930,037	153,515
Total Capital Outlay		345,780	2,744,824	3,090,604	2,835,187	255,417
Total Expenditures		37,716,114	2,134,758	39,850,872	43,605,709	(3,754,837)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		392,435	(2,134,758)	(1,742,323)	(2,880,205)	(1,137,882)

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Financing Sources/(Uses):					
Board Contribution to Enterprise Funds	(392,435)	(161,984)	(554,419)	(554,419)	-
Cancellation of Prior Year Accounts Receivable	-	-	-	(77,177)	77,177
Total Other Financing Sources/(Uses)	(392,435)	(161,984)	(554,419)	(631,596)	77,177
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures After Other Financing Sources/(Uses)	-	(2,296,742)	(2,296,742)	(3,511,801)	(1,215,059)
Fund Balances, July 1	8,215,788	-	8,215,788	8,215,788	-
Fund Balances, June 30	<u>\$ 8,215,788</u>	<u>\$ (2,296,742)</u>	<u>\$ 5,919,046</u>	<u>\$ 4,703,987</u>	<u>\$ (1,215,059)</u>

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Reserve for Encumbrances	<u>\$ 2,296,742</u>
Total Budget Transfers	<u><u>\$ 2,296,742</u></u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$ 1,510,108
Assigned Fund Balance:	
ARRA - Special Education - Medicaid Initiative	133,016
Unassigned Fund Balance	<u>3,060,863</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 4,703,987</u></u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**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>\$ 40,725,504</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u><u>\$ 40,725,504</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 43,605,709</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u><u>\$ 43,605,709</u></u>

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

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.12429%	0.15683%	0.15159%
District's proportionate share of the net pension liability (asset)	\$ 27,900,284	\$ 29,362,481	\$ 28,971,793
District's covered-employee payroll	\$ 8,924,012	\$ 8,739,799	\$ 8,630,576
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	312.64%	335.96%	335.69%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,165,901	\$ 1,068,548	\$ 1,275,481
Contributions in relation to the contractually required contribution	<u>1,165,901</u>	<u>1,068,548</u>	<u>1,275,481</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,924,012	\$ 8,739,799	\$ 8,630,576
Contributions as a percentage of covered- employee payroll	13.06%	12.23%	14.78%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.18784%	0.19834%	0.20349%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 118,725,848	\$ 106,005,793	\$ 102,843,366
District's covered-employee payroll	\$ 16,624,194	\$ 16,770,812	\$ 16,917,862
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

Not Applicable

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F. Capital Projects Fund

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2016
		PRIOR YEARS	CURRENT YEAR	
Various Capital Improvements:				
County Appropriations:				
Westampton Campus Reroofing Project	\$ 3,350,000	\$ -	\$ 1,750,783	\$ 1,599,217
Total	<u>\$ 3,350,000</u>	<u>\$ -</u>	<u>\$ 1,750,783</u>	<u>\$ 1,599,217</u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues & Other Financing Sources:	
County Appropriations	<u>\$ 3,350,000</u>
Total Revenues	<u>3,350,000</u>
Expenditures & Other Financing Uses:	
Construction Services	<u>1,750,783</u>
Total Expenditures	<u>1,750,783</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,599,217
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ 1,599,217</u></u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WESTAMPTON REROOFING PROJECT - PHASE III
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Appropriations	\$ -	\$ 3,350,000	\$ 3,350,000	\$ 3,350,000
Total Reserve	-	3,350,000	3,350,000	3,350,000
Expenditures & Other Financing Uses:				
Construction Services	-	1,750,783	1,750,783	3,350,000
Total Expenditures & Other Financing Uses	-	1,750,783	1,750,783	3,350,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 1,599,217	\$ 1,599,217	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0605-030-16-1000
Grant Date	9/9/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,350,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,350,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	52.26%
Original Target Completion Date	2016-2017
Revised Target Completion Date	N/A

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G. Proprietary Funds

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Enterprise Funds

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	2016
Current Assets:							
Cash & Cash Equivalents	\$ 56,601	\$ 236	\$ 41,676	\$ 71,695	\$ 163,190	\$ -	\$ 333,398
Interfund Receivable	34,134	-	-	-	-	-	34,134
Receivable:							
State	283	-	-	-	-	-	283
Federal	21,213	-	-	-	-	-	21,213
Other (Net)	-	518	-	1,444,946	-	470,993	1,916,457
Inventories	10,972	5,960	3,563	-	-	-	20,495
Total Current Assets	123,203	6,714	45,239	1,516,641	163,190	470,993	2,325,980
Fixed Assets:							
Equipment	333,299	31,773	1,527	382,416	-	190,685	939,700
Less: Accumulated Depreciation	(159,215)	(2,118)	(1,527)	(382,416)	-	(28,404)	(573,680)
Total Fixed Assets	174,084	29,655	-	-	-	162,281	366,020
Total Assets	297,287	36,369	45,239	1,516,641	163,190	633,274	2,692,000
LIABILITIES							
Current Liabilities:							
Accounts Payable	69,440	9,741	-	-	-	2,253	81,434
Interfund Payables	-	25,422	-	1,776,484	-	1,091,605	2,893,511
Unearned Revenue	105	-	-	-	-	-	105
Total Liabilities	69,545	35,163	-	1,776,484	-	1,093,858	2,975,050
NET POSITION							
Unrestricted	53,658	(28,449)	45,239	(259,843)	163,190	(622,865)	(649,070)
Net Investment in Capital Assets	174,084	29,655	-	-	-	162,281	366,020
Total Net Position	\$ 227,742	\$ 1,206	\$ 45,239	\$ (259,843)	\$ 163,190	\$ (460,584)	\$ (283,050)

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2016

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	TOTALS
Operating Revenues:							
Local Sources:							
Daily Sales - Reimbursable Programs:							
School Lunch & Breakfast Programs	\$ 70,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,930
Daily Sales - Nonreimbursable							
Programs	78,551	73,140	-	-	-	-	151,691
Special Functions	102,478	6,520	-	-	-	-	108,998
Fees for Services	-	-	-	13,711,461	-	-	13,711,461
Other Revenue	194	11,536	-	-	709,342	1,576,456	2,297,528
Sale of Merchandise	-	-	3,330	-	-	-	3,330
Total Operating Revenue	252,153	91,196	3,330	13,711,461	709,342	1,576,456	16,343,938
Operating Expenses:							
Salaries & Wages	556,758	60,913	-	6,751,700	700,474	76,125	8,145,970
Health Benefits	-	-	-	1,080,000	-	-	1,080,000
Purchased Professional Services	132,429	-	-	851,475	-	1,549,565	2,533,469
Purchased Services - Transportation	-	-	-	4,985,872	-	-	4,985,872
Rental of Land and Buildings	-	-	-	-	-	167,354	167,354
Repairs	9,278	-	-	61,900	-	294	71,472
Supplies & Materials	31,262	10,399	-	469,173	-	17,164	527,998
Other Objects	-	-	-	-	-	8,077	8,077
Depreciation	19,826	2,118	-	-	-	14,202	36,146
Miscellaneous Expenditures	20,991	5,000	-	7,884	19,040	12,227	65,142
Cost of Sales	290,030	43,333	719	-	-	-	334,082
Total Operating Expenses	1,060,574	121,763	719	14,208,004	719,514	1,845,008	17,955,582
Operating Gain/(Loss)	(808,421)	(30,567)	2,611	(496,543)	(10,172)	(268,552)	(1,611,644)
Nonoperating Revenues:							
State Sources:							
State School Lunch Program	3,860	-	-	-	-	-	3,860
Federal Source:							
School Breakfast Program	96,098	-	-	-	-	-	96,098
National School Lunch Program	183,916	-	-	-	-	-	183,916
Food Distribution Program	34,364	-	-	-	-	-	34,364
Interest Income	-	-	4	-	-	-	4
Operating Transfer In/(Out) General							
Fund Board Contribution - Salaries	522,646	31,773	-	-	-	-	554,419
Cancellation of Accounts Receivable	-	-	-	(281,919)	-	(16,430)	(298,349)
Gain/(Loss) on Adjustment to Capital Assets	65,064	-	-	-	-	-	65,064
Total Nonoperating Revenues/Expenses	905,948	31,773	4	(281,919)	-	(16,430)	639,376
Changes in Net Position	97,527	1,206	2,615	(778,462)	(10,172)	(284,982)	(972,268)
Total Net Position - Beginning	130,215	-	42,624	518,619	173,362	(175,602)	689,218
Total Net Position - Ending	\$ 227,742	\$ 1,206	\$ 45,239	\$ (259,843)	\$ 163,190	\$ (460,584)	\$ (283,050)

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
AS OF JUNE 30, 2016**

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	2016
Cash Flows From Operating Activities:							
Receipts from Customers	\$ 252,153	\$ 90,678	\$ 3,330	\$ 13,706,835	\$ 709,342	\$ 1,391,532	\$ 16,153,870
Payments to Employees	(556,758)	-	-	(4,975,046)	(700,474)	(76,125)	(6,308,403)
Payments to Suppliers	(409,139)	(119,608)	(1,352)	(8,655,967)	(19,040)	(1,752,428)	(10,957,534)
Net Cash Provided/(Used) by Operating Activities	(713,744)	(28,930)	1,978	75,822	(10,172)	(437,021)	(1,112,067)
Cash Flows From Noncapital Financing Activities:							
State Sources	3,980	-	-	-	-	-	3,980
Federal Sources	314,686	-	-	-	-	-	314,686
Operating Subsidies & Transfers from Other Funds	522,646	86,773	-	-	-	1,091,605	1,701,024
Net Cash Provided/(Used) by Noncapital Financing Activities	841,312	86,773	-	-	-	1,091,605	2,019,690
Cash Flows From Capital and Related Financing Activities:							
Purchase of Capital Assets	(38,524)	(31,773)	-	-	-	-	(70,297)
Net Cash Provided/(Used) by Investing Activities	(38,524)	(31,773)	-	-	-	-	(70,297)
Cash Flows From Investing Activities:							
Interest & Dividends	-	-	4	-	-	-	4
Net Cash Provided/(Used) by Investing Activities	-	-	4	-	-	-	4
Net Increase/(Decrease) in Cash & Cash Equivalents	89,044	26,070	1,982	75,822	(10,172)	654,584	837,330
Balances - Beginning of Year	(32,443)	(25,834)	39,694	(4,127)	173,362	(654,584)	(503,932)
Balances - End of Year	\$ 56,601	\$ 236	\$ 41,676	\$ 71,695	\$ 163,190	\$ -	\$ 333,398

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

Operating Income/(Loss)	\$ (808,421)	\$ (30,567)	\$ 2,611	\$ (496,543)	\$ (10,172)	\$ (268,552)	\$ (1,611,644)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:							
Depreciation & Net Amortization	19,826	2,118	-	-	-	14,202	36,146
(Increase)/Decrease in Other Account Receivable, Net	-	(518)	-	(4,626)	-	(184,924)	(190,068)
(Increase)/Decrease in Inventories	5,306	1,260	(633)	-	-	-	5,933
Increase/(Decrease) in Unearned Revenue	105	-	-	-	-	-	105
Increase/(Decrease) in Accounts Payable	69,440	(1,223)	-	576,991	-	2,253	647,461
Total Adjustments	94,677	1,637	(633)	572,365	-	(168,469)	499,577
Net Cash Provided/(Used) by Operating Activities	\$ (713,744)	\$ (28,930)	\$ 1,978	\$ 75,822	\$ (10,172)	\$ (437,021)	\$ (1,112,067)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY		2016
	DONATIONS TRUST FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 65,617	\$ 64,693	\$ 183,410	\$ 251,334	\$ 565,054
Interfund Accounts Receivable	-	-	125,000	-	125,000
Total Assets	65,617	64,693	308,410	251,334	690,054
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	250,419	250,419
Claims Payable	-	64,693	-	-	64,693
Due to Employees - Flex Spending Account	-	-	-	915	915
Due to Student Groups	-	-	308,410	-	308,410
Total Liabilities	-	64,693	308,410	251,334	624,437
NET POSITION					
Reserved for Students	65,617	-	-	-	65,617
Total Net Position	\$ 65,617	\$ -	\$ -	\$ -	\$ 65,617

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		2016
	DONATION TRUST	UNEMPLOYMENT TRUST	
OPERATING REVENUES:			
Local Sources:			
Donations	\$ 500	\$ -	\$ 500
Employee Contributions	-	242,708	242,708
Total Operating Revenues	<u>500</u>	<u>242,708</u>	<u>243,208</u>
OPERATING EXPENSES:			
Disbursements	-	211,909	211,909
Total Operating Expenses	-	<u>211,909</u>	<u>211,909</u>
Operating Income/(Loss)	<u>500</u>	<u>30,799</u>	<u>31,299</u>
Nonoperating Revenue (Expenses):			
Interest Income	<u>1</u>	<u>-</u>	<u>1</u>
Net Income/(Loss)	501	30,799	31,300
Net Position, July 1	<u>65,116</u>	<u>(30,799)</u>	<u>34,317</u>
Net Position, June 30	<u>\$ 65,617</u>	<u>\$ -</u>	<u>\$ 65,617</u>

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JUNE 30, 2015	TRANSFERS	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Central/District	\$ 65,289	\$ 173,906	\$ 57	\$ 137,234	\$ 102,018
South Campus	87,105	-	12,781	13,391	86,495
Vocational	51	(51)	-	-	-
High School	32,831	-	23,151	14,247	41,735
East Campus	69,825	-	1,672	13,034	58,463
Library	5,537	(5,537)	-	-	-
Lumberton Campus	11,032	-	1,766	11,065	1,733
Junior/Senior High School	28,743	(28,743)	-	-	-
Helping Hand	103,907	(103,907)	-	-	-
Yearbook	11,948	-	7,470	10,799	8,619
Interest	3,522	(3,522)	-	-	-
Unallocated - School Store	32,146	(32,146)	-	-	-
Field Trips	-	-	35,932	26,585	9,347
Total	<u>\$ 451,936</u>	<u>\$ -</u>	<u>\$ 82,829</u>	<u>\$ 226,355</u>	<u>\$ 308,410</u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 239,337	\$ 33,269,316	\$ 33,257,319	\$ 251,334
Total Assets	<u>\$ 239,337</u>	<u>\$ 33,269,316</u>	<u>\$ 33,257,319</u>	<u>\$ 251,334</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 233,886	\$ 14,910,617	\$ 14,894,084	\$ 250,419
Due to Employees - Net Payroll	-	18,347,838	18,347,838	-
Due to Employees - Flex Spending	-	10,861	9,946	915
Interfund Accounts Payable	5,451	-	5,451	-
Total Liabilities	<u>\$ 239,337</u>	<u>\$ 33,269,316</u>	<u>\$ 33,257,319</u>	<u>\$ 251,334</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 6,454,702	\$ 3,771,907	\$ 3,540,684	\$ 2,505,345	\$ 1,946,535	\$ 1,918,911	\$ 2,114,430	\$ 1,994,904	\$ 1,988,661	\$ 2,173,928
Restricted	1,643,124	3,939,610	1,508,343	2,489,206	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785
Unrestricted	(27,189,009)	(26,151,370)	2,469,985	1,869,193	558,675	2,437,068	2,989,180	1,706,833	3,404,334	1,997,447
Total Governmental Activities	\$ (19,091,183)	\$ (18,439,853)	\$ 7,519,012	\$ 6,863,744	\$ 4,587,701	\$ 6,160,850	\$ 6,494,117	\$ 5,084,348	\$ 6,762,780	\$ 5,541,160
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 366,020	\$ 266,805	\$ 102,292	\$ 118,018	\$ 138,670	\$ 154,966	\$ 192,402	\$ 239,426	\$ 176,599	\$ 153,018
Unrestricted	(649,070)	422,413	1,566,914	2,589,206	1,979,505	287,985	(905,855)	2,602,866	4,804,777	6,066,848
Total Business-Type Activities	\$ (283,050)	\$ 689,218	\$ 1,669,206	\$ 2,707,224	\$ 2,118,175	\$ 442,951	\$ (713,453)	\$ 2,842,292	\$ 4,981,376	\$ 6,219,866
Government-Wide:										
Net Investment in										
Capital Assets	\$ 6,820,722	\$ 4,038,712	\$ 3,642,976	\$ 2,623,363	\$ 2,085,205	\$ 2,073,877	\$ 2,306,832	\$ 2,234,330	\$ 2,165,260	\$ 2,326,946
Restricted	1,643,124	3,939,610	1,508,343	2,489,206	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785
Unrestricted	(27,838,079)	(25,728,957)	4,036,899	4,458,399	2,538,180	2,725,053	2,083,325	4,309,699	8,209,111	8,064,295
Total District Net Position	\$ (19,374,233)	\$ (17,750,635)	\$ 9,188,218	\$ 9,570,968	\$ 6,705,876	\$ 6,603,801	\$ 5,780,664	\$ 7,926,640	\$ 11,744,156	\$ 11,761,026

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities:										
Instruction:										
Special Education	\$ 14,952,342	\$ 15,200,512	\$ 15,424,094	\$ 16,002,153	\$ 17,293,675	\$ 17,463,812	\$ 20,624,676	\$ 20,725,888	\$ 20,870,679	\$ 19,989,078
Other Special Instruction	264,662	111,882	109,620	121,249	109,532	128,022	113,073	86,347	93,336	86,252
Other Special Instruction	-	-	-	-	-	-	-	19,245	32,436	15,195
Support Services:										
Student & Instruction Related										
Services	4,742,066	4,765,408	4,790,637	4,960,201	4,860,196	4,768,340	891,235	766,603	761,648	825,173
School Administrative Services	571,932	539,302	683,097	641,997	652,508	644,362	968,279	684,626	871,142	758,816
General & Business Administrative										
Services	2,984,042	2,813,961	2,718,655	2,650,522	2,488,553	2,125,766	2,008,678	2,232,537	2,278,354	2,183,376
Plant Operations & Maintenance	3,221,994	2,957,405	3,584,535	3,301,464	3,002,177	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818
Pupil Transportation	303,019	545,275	338,084	304,342	150,239	-	-	1,163,065	887,618	765,317
Unallocated Benefits	18,284,937	17,093,711	12,690,642	15,634,534	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977
Unallocated Compensated Absences	183	(57,160)	(76,306)	(24,604)	47,167	43,381	(827,143)	12,502	44,222	96,193
Unallocated Contributed Capital	77,177	-	-	(486,311)	(67,328)	-	(39,928)	-	17,548	-
Unallocated Depreciation	481,067	235,561	206,906	206,906	215,000	205,000	209,070	246,312	167,719	100,124
Adjustment to Fixed Assets	965,429	-	-	-	(172,641)	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-	-	-	43,381	250,000
Special Schools	-	-	-	-	-	-	12,096	16,344	17,294	17,311
Total Governmental Activities	46,848,850	44,205,857	40,469,964	43,312,453	43,921,217	44,133,832	40,470,322	42,241,793	41,634,597	40,553,630
Expense										
Business-Type Activities:										
Food Service	1,182,337	1,333,438	891,283	1,303,635	1,113,093	1,169,276	1,423,397	1,560,527	1,490,230	1,497,491
School Store	719	2,261	70,890	87,318	3,091	1,374	2,691	3,357	6,140	5,051
Educational Services	14,489,923	14,562,395	14,044,658	14,602,528	14,253,859	15,661,303	18,078,793	18,633,356	16,829,518	12,863,952
VQCA	719,514	1,228,805	1,358,967	1,360,354	-	-	-	-	-	-
Alternative Education Program	1,861,438	1,486,578	-	-	-	-	-	-	-	-
Total Business-Type Activities	18,253,931	18,613,477	16,365,798	17,353,835	15,370,043	16,831,953	19,504,881	20,197,240	18,325,888	14,366,494
Expense										
Total District Expenses	\$ 65,102,781	\$ 62,819,334	\$ 56,835,762	\$ 60,666,288	\$ 59,291,260	\$ 60,965,785	\$ 59,975,203	\$ 62,439,033	\$ 59,960,485	\$ 54,920,124
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 8,402,593	\$ 8,483,196	\$ 2,064,871	\$ 2,899,835	\$ 3,383,122	\$ 2,860,416	\$ 2,786,420	\$ 2,669,233	\$ 3,135,815	\$ 2,924,511
Total Governmental Activities	8,402,593	8,483,196	2,064,871	2,899,835	3,383,122	2,860,416	2,786,420	2,669,233	3,135,815	2,924,511
Business-Type Activities:										
Charges for Services:										
Food Service	343,349	344,611	253,398	354,212	387,921	396,391	423,346	519,998	500,786	425,968
School Store	3,330	7,349	10,714	9,091	16,410	16,735	17,835	18,066	23,160	14,920
Educational Services	13,711,461	13,835,792	12,935,366	15,190,132	14,421,452	14,267,549	14,354,634	16,222,780	15,242,618	14,135,389
VQCA	709,342	1,259,753	1,391,735	1,470,000	-	-	-	-	-	-
Adult Education Program	1,576,456	1,310,976	-	-	-	-	-	-	-	-
Operating Grants & Contributions	318,238	326,731	314,987	413,382	422,466	397,081	450,987	418,543	446,065	434,534

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Business Type Activities										
Program Revenues	16,662,176	17,085,212	14,906,200	17,436,817	15,248,249	15,077,756	15,246,802	17,179,387	16,212,629	15,010,811
Total District Program Revenues	\$ 25,064,769	\$ 25,568,408	\$ 16,971,071	\$ 20,336,652	\$ 18,631,371	\$ 17,938,172	\$ 18,033,222	\$ 19,848,620	\$ 19,348,444	\$ 17,935,322
Net (Expense)/Revenue:										
Governmental Activities	\$ (38,446,257)	\$ (35,722,661)	\$ (38,405,093)	\$ (40,412,618)	\$ (40,538,095)	\$ (41,273,416)	\$ (37,683,902)	\$ (39,572,560)	\$ (38,498,782)	\$ (37,629,119)
Business-Type Activities	(1,591,755)	(1,528,265)	(1,459,598)	82,982	(121,794)	(1,754,197)	(4,258,079)	(3,017,853)	(2,113,259)	644,317
Total Government-Wide Net Expense	\$ (40,038,012)	\$ (37,250,926)	\$ (39,864,691)	\$ (40,329,636)	\$ (40,659,889)	\$ (43,027,613)	\$ (41,941,981)	\$ (42,590,413)	\$ (40,612,041)	\$ (36,984,802)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriation	\$ 6,550,783	\$ 5,200,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000
Federal & State Aid Not Restricted	213,391	631,610	2,035,384	1,514,792	44,493	44,493	199,655	256,188	124,165	2,652,011
Tuition Received	23,818,838	25,454,600	25,866,996	28,637,896	26,940,825	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928
Tuition Charges	7,052,945	7,469,275	6,978,742	7,496,846	8,489,849	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642
Non Resident Fees	358,446	344,680	58,310	351,819	311,263	311,263	315,289	404,024	173,771	201,039
Rents and Royalties	144,083	-	-	-	-	-	-	-	-	-
Miscellaneous Income	210,860	192,540	255,597	390,243	175,540	175,540	259,771	451,334	2,653,246	2,238,918
Capital Reserve	-	(547,580)	-	(502,935)	(1,797,024)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	43,381
Transfers	(554,419)	227,627	(934,668)	-	-	-	-	-	-	(662,187)
Transfer from County	-	-	-	-	-	-	-	-	-	-
Contributed Capital	-	-	-	-	-	-	-	-	252,555	-
Total Governmental Activities	37,794,927	38,972,752	39,060,361	42,688,661	38,964,946	38,964,946	40,940,149	39,093,671	37,894,128	38,093,732
Business-Type Activities:										
Investment Earnings	4	697	890	2,706	361	14,271	7,078	91,390	174,460	212,810
Contributed Capital	-	-	-	427	(367)	-	-	90,621	38,122	-
Transfers	554,419	547,580	420,690	502,935	1,797,024	2,896,330	695,256	696,758	662,187	633,317
Gain/(Loss) on Adjustment to Capital Assets	65,064	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	619,487	548,277	421,580	506,068	1,797,018	2,910,601	702,334	878,769	874,769	846,127
Total Government-Wide	\$ 38,414,414	\$ 39,521,029	\$ 39,481,941	\$ 43,194,729	\$ 40,761,964	\$ 41,875,547	\$ 41,642,483	\$ 39,972,440	\$ 38,768,897	\$ 38,939,859
Change in Position:										
Governmental Activities	\$ (651,330)	\$ 3,250,091	\$ 655,268	\$ 2,276,043	\$ (1,573,149)	\$ (2,308,470)	\$ 3,256,247	\$ (478,889)	\$ (604,654)	\$ 464,613
Business-Type Activities	(972,268)	(979,988)	(1,038,018)	589,050	1,675,224	1,156,404	(3,555,745)	(2,139,084)	(1,238,490)	1,490,444
Total District	\$ (1,623,598)	\$ 2,270,103	\$ (382,750)	\$ 2,865,093	\$ 102,075	\$ (1,152,066)	\$ (299,498)	\$ (2,617,973)	\$ (1,843,144)	\$ 1,955,057

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted	\$ 1,510,108	\$ 1,509,852	\$ 1,508,343	\$ 1,506,836	\$ 1,501,971	\$ 1,501,270	\$ 1,390,507	\$ 1,382,611	\$ 1,369,785	\$ 2,996,455
Assigned	133,016	2,429,758	-	982,370	580,520	303,601	-	-	-	-
Unassigned	3,060,863	4,276,178	4,051,354	3,366,288	1,800,969	3,632,195	4,140,926	3,685,722	5,257,721	3,806,612
Total General Fund	\$ 4,703,987	\$ 8,215,788	\$ 5,559,697	\$ 5,855,494	\$ 3,883,460	\$ 5,437,066	\$ 5,531,433	\$ 5,068,333	\$ 6,627,506	\$ 6,803,067

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
County Appropriation	\$ 6,550,783	\$ 5,200,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000
Tuition Charges	23,818,838	25,454,600	25,866,996	28,637,896	26,940,825	29,422,820	26,683,179	25,000,585	25,310,928	24,086,887
Other Tuition	7,052,945	7,469,275	6,978,742	7,496,846	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711
Nonresident Fees	358,446	344,680	58,310	351,819	311,263	315,289	404,024	173,771	201,039	156,099
Rents and Royalties	144,083	-	-	-	-	-	-	-	-	-
Miscellaneous	210,860	192,540	255,597	390,243	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955
State Sources	4,126,941	3,794,646	3,954,584	4,214,711	3,385,530	2,860,416	2,786,420	2,659,992	5,541,630	7,551,688
Federal Sources	213,391	631,610	145,671	199,916	42,085	199,655	256,188	133,406	246,196	364,728
Total Revenues	42,476,287	43,087,351	42,059,900	46,091,431	44,145,092	45,996,895	42,575,347	41,007,564	41,848,353	41,773,068
Expenditures:										
Current:										
Special Education Instruction	14,952,342	15,200,512	15,424,094	16,002,153	17,293,675	17,463,812	20,624,676	20,725,888	20,870,679	19,989,078
Other Special Instruction	264,662	111,882	109,620	121,249	109,532	128,022	113,073	86,347	93,336	86,252
Other Instructional Programs	-	-	-	-	-	-	-	19,245	32,436	15,195
Support Services & Undistributed Costs:										
Student & Instruction Related										
School Services	4,742,066	4,765,408	4,790,637	4,960,201	4,860,196	4,768,340	891,235	766,603	761,648	825,173
School Administrative Services	571,932	539,302	683,097	641,997	652,508	644,362	968,279	684,626	871,142	758,816
Other Administrative Services	2,484,042	2,513,961	2,418,655	2,350,522	2,188,553	2,125,766	2,297,346	2,232,537	2,278,354	2,183,376
Plant Operations & Maintenance	3,265,315	2,957,405	3,584,535	3,301,464	3,004,832	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818
Pupil Transportation	303,019	545,275	338,084	304,342	150,239	-	-	1,163,065	887,618	765,317
Unallocated Benefits	14,187,144	12,033,630	12,690,642	15,634,534	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977
Special Schools	-	-	-	-	-	-	12,096	16,344	17,294	17,311
Capital Outlay	4,585,970	1,424,156	1,164,278	300,000	300,000	-	-	-	43,381	250,000
Total Expenditures	45,356,492	40,091,531	41,203,642	43,616,462	43,901,674	43,885,451	41,416,991	41,869,979	41,405,108	40,357,313
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,880,205)	2,995,820	856,258	2,474,969	243,418	2,111,444	1,158,356	(862,415)	443,245	1,415,755
Other Financing Sources/(Uses):										
Increase in Capital Reserve	-	-	-	-	-	-	-	-	43,381	250,000
Transfers Out	(554,419)	(319,953)	(934,668)	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)
Cancellation of Prior Year's Receivables	(77,177)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(631,596)	(319,953)	(934,668)	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(618,806)	(383,317)
Net Change in Fund Balances	\$ (3,511,801)	\$ 2,675,867	\$ (78,410)	\$ 1,972,034	\$ (1,553,606)	\$ (84,886)	\$ 463,100	\$ (1,559,173)	\$ (175,561)	\$ 1,032,438
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
2016	\$ 30,871,783	\$ 5,513,389	\$ 4,126,941	\$ 213,391	\$ 40,725,504
2015	32,923,875	5,737,220	3,794,646	631,610	43,087,351
2014	32,845,738	5,113,907	3,440,606	145,671	41,545,922
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

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,

N/A

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

N/A

PRINCIPAL PROPERTY TAX PAYERS,

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)
2015	450,226	N/A	5.2%
2014	450,677	53,747	6.3%
2013	450,103	51,785	7.9%
2012	451,227	51,390	9.2%
2011	450,549	49,955	8.8%
2010	449,218	48,047	9.0%
2009	446,108	47,649	8.5%
2008	445,492	47,816	5.0%
2007	446,314	46,188	3.8%
2006	447,131	44,582	4.1%

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
Lockhed Martin	3,450	1
TD Bank	3,388	2
Virtua Memorial Hospital of Burlington Country	2,390	3
Burlington Coat Factory	2,338	4
PHH Mortgage	1,850	5
CVS Corporation	1,240	6
Automotive Resources International	1,200	7
Viking Yacht. Co. Corp.	1,100	8
Deborah Heart & Lung Center	1,050	9
Eickhoff ShopRite Stores	1,026	10
	19,032	

Source: Burlington County

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

Function/Program Instruction:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Special Education	334	378	378	378	378	376	395	411	434	433
Support Services:										
Student & Instruction Related Services	123	63	63	63	64	62	63	63	62	56
School Administrative Services	38	14	14	14	14	14	16	15	17	16
General & Business Administrative Services	10	11	11	11	11	11	11	3	3	3
Plant Operations & Maintenance	22	24	24	24	24	23	23	21	23	24
Pupil Transportation	-	3	3	3	3,00	-		7	7	1
Business & Other Support Services	-	3	3	3	3	3	3	10	10	10
Food Service	10	10	10	10	12	12	19	22	21	21
Total	537	506	506	506	509	501	530	552	577	564

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
2016	695	41,270,522	59,382	5.30%	127	6.2/1	690.3	596.0	-18.41%	-21.20%
2015	690	38,667,375	56,040	0.26%	127	6.2/1	686.1	595.6	-11.46%	-13.34%
2014	710	40,039,364	56,393	0.90%	127	6.2/1	846.1	756.3	9.19%	10.04%
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%

Sources: District records

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

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	519	398	424	417	519	521	563	629	691	729
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	176	178	177	252	140	169	172	102	100	118
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	-	114	109	106	134	140	139	126	125	117

Number of Schools at June 30, 2016:
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
2016	\$ 8,689	\$ 535,370	\$ 212,843	\$ 756,902
2015	22,305	538,998	262,394	823,697
2014	29,272	480,541	281,302	791,115
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
Total School Facilities	\$ 577,835	\$ 5,039,397	\$ 2,415,262	\$ 8,032,494

Source: District records

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016**

	COVERAGE	DEDUCTIBLE
Commercial General Liability:		
Bodily Injury and Property Damage - Per Occurrence	\$ 16,000,000	
Products/Completed Operations Aggregate Limit	16,000,000	
Personal/Advertising Injury Limit - Per Occurrence	16,000,000	
Employee Benefits Liability - Per Occurrence	16,000,000	1,000
Commercial Property Coverage:		
Blanket Coverage, Building & Contents	87,370,178	5,000
Equipment Floater:		
Hardware / Software	1,060,000	1,000
Commercial Automobile:		
Bodily Injury & Property Damage	16,000,000	
Medical Payments: Private Passenger	10,000	
Medical Payments: All Other Vehicles	5,000	
Uninsured/Underinsured Motorist: Bodily Injury Per Person	15,000	
Uninsured/Underinsured Motorist: Bodily Injury Per Accident	30,000	
Uninsured/Underinsured Motorist: Private Passenger	1,000,000	
Commercial Crime		
Excess Umbrella:		
Public Employee Dishonesty with Faithful Performance	100,000	500
Theft, Disappearance and Destruction - Loss of Money	50,000	500
Theft, Disappearance and Destruction - Money Orders & Counterfeits	50,000	500
Forgery & Alteration	50,000	500
Computer Fraud	50,000	500
Student Accident:		
Compulsory - Aggregate Limit of Liability	1,000,000	
Excess Medical	5,000,000	25,000
Public Official Bonds:		
Qualified Purchasing Agent	100,000	
Board Secretary	100,000	
Treasurer	350,000	
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	

Source: School District Records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
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 and business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Special Services School District, as of and for the year ended June 30, 2016, 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 November 9, 2016.

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 District’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness as Finding No. 2016-002.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be significant deficiency as Finding No. 2016-001.

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.

We also noted certain administrative findings that we reported to management of the Burlington County Special Services School District, as described in a separate auditor's management report dated November 9, 2016

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 9, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

We have audited Burlington County Special Services School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Burlington County Special Services School District’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Burlington County Special Services School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and the New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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 state program. However, our audit does not provide a legal determination of Burlington County Special Services School District’s compliance.

Opinion on Each Major 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 state programs for the year ended June 30, 2016.

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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 9, 2016

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:											
Enterprise Funds:											
Child Nutrition Cluster:											
School Breakfast Program	10.553	16161NJ304N099	N/A	96,098	7/1/15-6/30/16	\$ -	88,676 \$	(96,098) \$	-	(7,422) \$	-
School Breakfast Program	10.553	16161NJ304N099	N/A	102,580	7/1/14-6/30/15	(7,836)	7,836	-	-	-	-
Subtotal						(7,836)	96,512	(96,098)	-	(7,422)	-
National School Lunch Program	10.555	16161NJ304N099	N/A	183,916	7/1/15-6/30/16	-	170,125	(183,916)	-	(13,791)	-
National School Lunch Program	10.555	16161NJ304N099	N/A	188,281	7/1/14-6/30/15	(13,350)	13,350	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	16161NJ304N099	N/A	4,729	7/1/14-6/30/15	(335)	335	-	-	-	-
Subtotal						(13,685)	183,810	(183,916)	-	(13,791)	-
Total Child Nutrition Cluster						(21,521)	280,322	(280,014)	-	(21,213)	-
Noncash Assistance:											
Food Distribution Program	10.550	16161NJ304N099	N/A	34,364	7/1/15-6/30/16	-	34,469	(34,364)	-	-	105
Total U.S. Department of Agriculture						(21,521)	314,791	(314,378)	-	(21,213)	105
U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
General Fund:											
Medical Assistance Program	93.778	1605N15MAP	N/A	213,391	7/1/15-6/30/16	-	211,666	(213,391)	-	(1,725)	-
Total U.S. Department of Labor						-	211,666	(213,391)	-	(1,725)	-
Total Federal Financial Assistance						\$ (21,521) \$	526,457 \$	(527,769) \$	-	(22,938) \$	105

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education:									
General Fund:									
Cash Assistance:									
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	\$ 1,153,311	7/1/15-6/30/16	\$ -	\$ 1,094,756	\$ (1,153,311)	\$ -	\$ (58,555)	\$ 1,153,311
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	1,166,890	7/1/14-6/30/15	(58,291)	58,291	-	-	-	-
Total Cash Assistance				(58,291)	1,153,047	(1,153,311)	-	(58,555)	1,153,311
Noncash Assistance:									
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	1,616,257	7/1/15-6/30/16	-	1,616,257	(1,616,257)	-	-	1,616,257
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	1,357,373	7/1/15-6/30/16	-	1,357,373	(1,357,373)	-	-	1,357,373
Total Noncash Assistance				-	2,973,630	(2,973,630)	-	-	2,973,630
Total General Fund				(58,291)	4,126,677	(4,126,941)	-	(58,555)	4,126,941
Enterprise Funds:									
Food Service Fund:									
National School Lunch Program (State Share)	100-010-3350-023	3,860	7/1/15-6/30/16	-	3,577	(3,860)	-	(283)	3,860
National School Lunch Program (State Share)	100-010-3350-023	4,084	7/1/14-6/30/15	(403)	403	-	-	-	-
Total Food Service Fund				(403)	3,980	(3,860)	-	(283)	3,860
Total State Department of Education				(58,694)	4,130,657	(4,130,801)	-	(58,838)	4,130,801
Total State Financial Assistance				\$ (58,694)	\$ 4,130,657	(4,130,801)	\$ -	\$ (58,838)	\$ 4,130,801
Less: Grants Not Subject to Major Program Determination:									
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	1,616,257	7/1/15-6/30/16			1,616,257			
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	1,357,373	7/1/15-6/30/16			1,357,373			
Total State Financial Assistance subject to Major Program Determination						<u>\$ (1,157,171)</u>			

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016

Note 1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal awards and state financial assistance programs of the Burlington County Special Services School District. The School District is defined in Note 1 to the District's basic financial statements. All Federal and State awards received directly from State agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of the U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the Schedules of Expenditures of Federal Awards and State Financial Assistance, the Burlington County Special Services School District did not provide any state awards to sub recipients.

Noncash assistance is reported in the Schedule of Expenditures of State Financial Assistance as the entitlement value, as determined by the State of New Jersey, of the On-Behalf payments made by the State for Pensions and Post-Retirement Medical Contributions during the year ended June 30, 2016.

Noncash assistance is reported in the Schedule of Expenditures of Federal Awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016.

The Burlington County Special Services School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, the payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments 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 two state aid payments 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. 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 District's basic financial statements on a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$ 4,126,941	\$ 213,391	\$ 4,340,332
Food Service Fund	3,860	314,378	318,238
Total Financial Assistance	<u>\$ 4,130,801</u>	<u>\$ 527,769</u>	<u>\$ 4,658,570</u>

Note 4. Relationship to 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

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, 2016 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, 2016.

Note 6. Federal and State Loans Outstanding

The Burlington County Special Services School District had no loan balances outstanding at June 30, 2016.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial statements noted?	None Reported

Federal Awards – NOT APPLICABLE

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered to be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		Not Applicable

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or New Jersey OMB Circular Letter 15-08?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5094-003	Reimbursed TPAF Social Security Contributions

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding *2016-001:

Criteria or Specific Requirement:

General ledgers should be maintained for all funds operating within the District in accordance with GAAP.

Condition:

It was noted during our audit that a general ledger for various funds, though kept and maintained by the District, was not maintained in accordance with GAAP.

Context:

A detailed analysis of receipts and disbursements was necessary to obtain year-to-date information.

Effect:

The District subsidiary records do not accurately reflect the activity for the various funds.

Cause:

Lack of oversight by District officials.

Recommendation:

That the District maintain proper subsidiary and general ledgers for all funds in accordance with GAAP.

View of Responsible Officials and Planned Corrective Action:

The District identified this problem prior to last year's audit. The District is still in the process of correcting the matter, and will continue with the implementation of last year's corrective action, by continuing the training that is being provided to appropriate personnel. Additionally, the District has hired a Business Manager with an accounting degree for ESU, as well as a shared Certified Public Accountant to actively participate in the day-to-day financial operations of the entire District.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings (continued):

Finding 2016-002:

Criteria or Specific Requirement:

Capital asset additions, deletions and depreciation should be accurately recorded and maintained during the fiscal year.

Condition:

It was noted during our audit that the District is not properly recording Capital Asset additions and deletions throughout the fiscal year. In addition, the District is not properly recording annual depreciation.

Context:

A lack of internal control exists over the reporting and recording of capital assets.

Effect:

The District risks not properly reporting the value of their Capital Assets on the financial statements.

Cause:

Lack of controls surrounding the purchase, disposal, and reporting of capital assets.

Recommendation:

That the District implements internal controls to ensure Capital Asset additions, deletions and depreciation are recorded correctly in its records.

View of Responsible Officials and Planned Corrective Action:

The District agrees with this finding and has taken the appropriate steps to correct this matter, by hiring a shared Certified Public Accountant to address this specific issue. The District has already begun training staff on this matter.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section III – Schedule of Federal Awards Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

Section IV – State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular Letter 15-08, as applicable.

No Current Year Findings

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

Finding 2015-001:

It was noted during our audit that a general ledger for various funds, though kept and maintained by the District, was not maintained in accordance with GAAP.

Status:

Management has not taken corrective action on this finding.