

**BURLINGTON COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

Mt. Holly, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

MT. HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

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

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INTRODUCTORY SECTION



Burlington County Special Services School District
Dr. Donald P. Lucas
Superintendent
20 Pioneer Boulevard
Westampton, NJ 08060-3824
PHONE: 609-261-5600 · FAX: 609-261-5967
Theresa L. Margiotta
Business Administrator/ Board Secretary

August 3, 2012

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

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

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

The District provides a full range of educational services appropriate to special education students. The District completed the 2011-12 fiscal year with an enrollment of 793, which is 30 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eighteen years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2011-12	775.4	-6.21%
2010-11	826.7	-5.39%
2009-10	873.8	-6.71%
2008-09	936.6	-8.72%
2007-08	1,026.1	-5.65%
2006-07	1,087.6	-3.26%
2005-06	1,124.3	-3.47%
2004-05	1,164.7	-4.71%
2003-04	1,222.3	-.56%
2002-03	1,229.2	-2.30%
2001-02	1,258.1	-.04%
2000-01	1,269.0	-.15%
1999-00	1,270.9	2.42%
1998-99	1,240.9	2.72%
1997-98	1,208.0	5.01%
1996-97	1,150.4	-1.47%
1995-96	1,167.6	2.66%
1994-95	1,137.3	2.80%
1993-94	1,106.3	2.55%

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

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

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

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line time basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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", Note1.

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2011</u>
Local Sources	\$40,717,477	92.24%	\$(2,219,347)
State Sources	3,385,530	7.66%	525,114
Federal Sources	42,085	.10%	(157,570)
Total	\$44,145,092	100.00%	\$(1,851,803)

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2012, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2011</u>
Current Expense:			
Instruction	\$17,293,675	39.39%	\$(170,137)
Other Special Instruction	109,532	.25%	(18,490)
Support Services & Undistributed Expenditures	26,498,467	60.36%	195,369
Total	\$43,901,674	100.00%	\$ 6,742

7) DEBT ADMINISTRATION: None

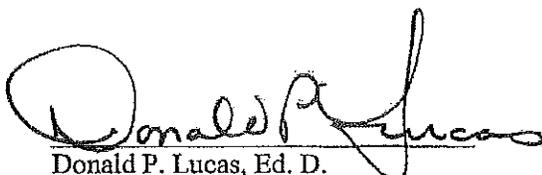
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the 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.

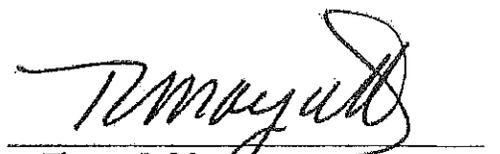
9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance property and contents, and fidelity bonds.

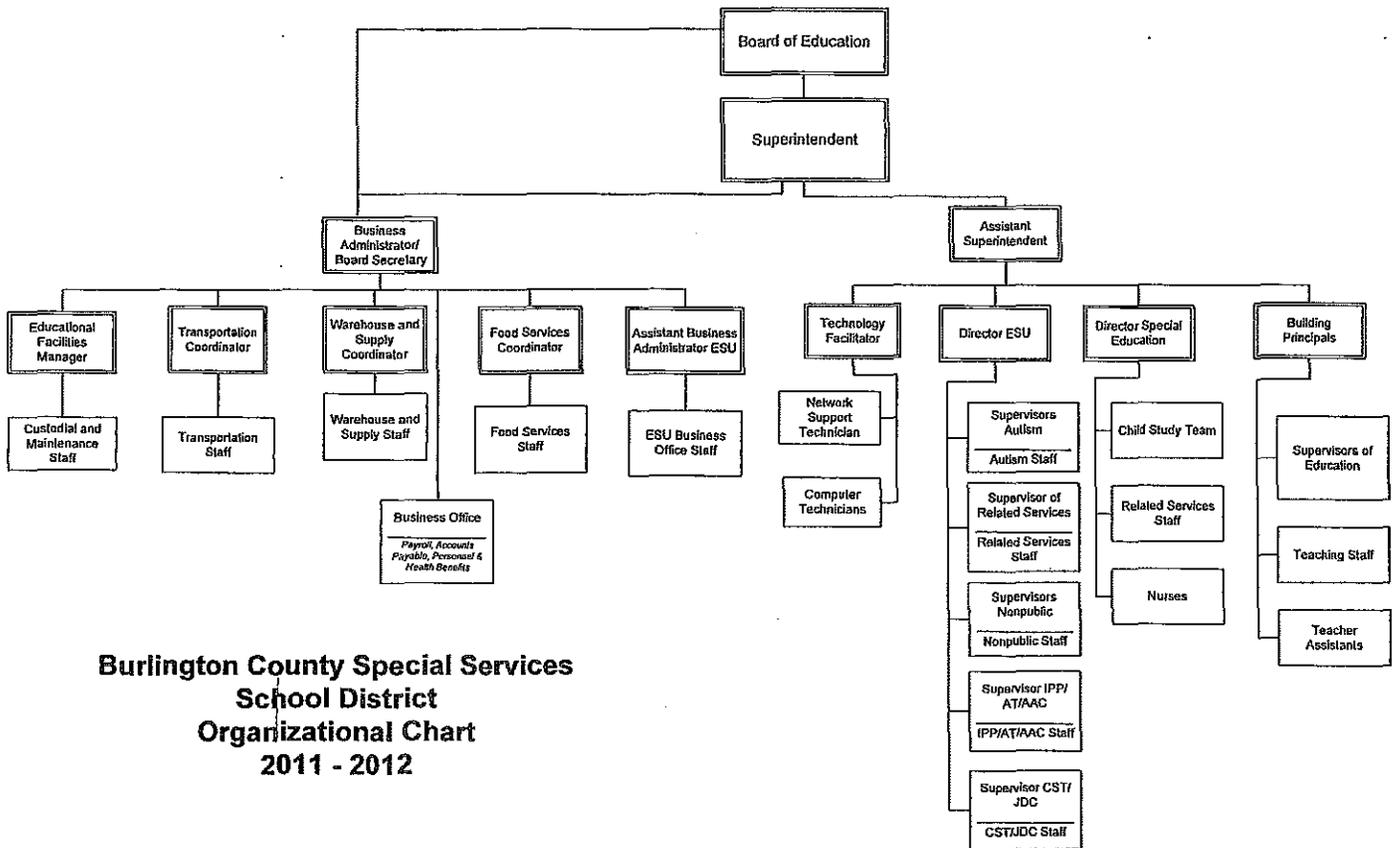
10) OTHER INFORMATION: Independent Audit -- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board to perform this service. In addition to meeting the requirements set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

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

Respectfully submitted,


Donald P. Lucas, Ed. D.
Superintendent


Theresa L. Margiotta
Business Administrator/Board Secretary



**Burlington County Special Services
School District
Organizational Chart
2011 - 2012**

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Paula D. Lee, President	2014
Robert C. Silcox, Vice President	2013
Christopher L. Baxter	2014
Kathleen Burgess	2012
John J. Ferry	2015
Leon E. Jones Jr.	2015
Peggy Nicolosi	Ex. Officio

OTHER OFFICIALS

Donald P. Lucas - Superintendent

Theresa L. Margiotta – Board Secretary/School Business Administrator

James W. Wintrode – Educational Services Unit Assistant Business Administrator

Ken Hill – Qualified Purchasing Agent

Kelly Cox - Treasurer

Parker McCay – Solicitor

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ARCHITECT

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

SOLICITOR

Parker McCay
9000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Beneficial Bank
Sunset Road
Burlington, New Jersey 08650

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Burlington County Special Services
County of Burlington
Mt. Holly, New Jersey 08060

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2012, on our consideration of the Burlington County Special Services School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 15 and 48 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Special Services School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, expenditures of state financial assistance and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
August 3, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

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

For the Fiscal Year Ended June 30, 2012

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, 2012.

Financial Highlights

The District's net assets increased based on current year's transactions by \$102,075. Charges for services accounted for \$14,825,783 or 24.96%, operating grants and contributions amount to \$3,805,588 or 6.41% and general revenues were \$40,761,964 or 68.63%.

The general fund reported a positive fund balance of \$3,883,460.

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 Assets 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 Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on Page 19 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and

compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$6,705,876 at the close of the most recent fiscal year.

A portion of the District's net assets in the amount of \$2,085,205 reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of fiscal year 2012:

NET ASSETS

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	(MEMORANDUM ONLY)	
			JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$2,457,403	124,549	2,581,952	2,803,331
Security Deposit		10,245	10,245	10,245
Prepaid Expenses		200	200	
Other Receivables		182,291	182,291	401,751
Intergovernmental Accounts Receivables:				
Other	1,065,091	2,276,789	3,341,880	4,013,335
State	72,032	239	72,271	73,912
Federal		16,114	16,114	70,322
Inventory		27,963	27,963	26,016
Restricted Assets:				
Capital Reserve Account - Cash	1,501,971		1,501,971	1,501,270
Capital Assets, Net (Note 6):	1,946,535	138,670	2,085,205	2,073,877
Total Assets	7,043,032	2,777,060	9,820,092	10,974,059
LIABILITIES				
Cash Deficit		571,159	571,159	1,969,729
Accounts Payable	137,642	37,039	174,681	743,675
Other Payables		8,152	8,152	8,152
Deferred Revenue	1,075,395	42,535	1,117,930	453,575
Noncurrent Liabilities:				
Due Beyond One Year	1,242,294		1,242,294	1,195,127
Total Liabilities	2,455,331	658,885	3,114,216	4,370,258
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,946,535	138,670	2,085,205	2,073,877
Restricted for:				
Other				
Purposes	2,082,491		2,082,491	1,501,270
Unrestricted	558,675	1,979,505	2,538,180	3,028,654
Total Net Assets	\$4,587,701	2,118,175	6,705,876	6,603,801

An additional portion of the District's net assets \$1,501,971 represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets 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 assets, both for the government as a whole, as well as for its separate governmental and business type activities.

Changes in Net Assets

	Governmental Activities 2012	Business Type Activities 2012	Total 2012	Total 2011
Revenues:				
County Appropriations	\$ 4,800,000		\$ 4,800,000	\$ 4,800,000
Tuition Charges	35,430,674		35,430,674	37,561,764
Non-Resident Fee	311,263		311,263	315,289
Miscellaneous	175,540	35,115	210,655	924,561
State Sources	3,385,530		3,385,530	2,860,416
Federal Sources	42,085		42,085	199,655
Daily Sales		231,271	231,271	244,480
Special Functions		121,535	121,535	151,142
Fees for Services		14,421,452	14,421,452	13,603,528
Sale of Merchandise		16,410	16,410	16,735
Total Revenues	<u>44,145,092</u>	<u>14,825,783</u>	<u>58,970,875</u>	<u>60,677,570</u>
Expenditures:				
Special Education Instruction	17,293,675		17,293,675	17,463,812
Other Special Instruction	109,532		109,532	128,022
Undistributed Costs	<u>26,498,467</u>	<u>15,370,043</u>	<u>41,868,510</u>	<u>43,135,051</u>
Total Expenditures	<u>43,901,674</u>	<u>15,370,043</u>	<u>59,271,717</u>	<u>60,726,885</u>
Operating Gain/(Loss)	<u>243,418</u>	<u>(544,260)</u>	<u>(300,842)</u>	<u>(49,315)</u>
Nonoperating Revenues:				
State Sources		4,967	4,967	4,343
Federal Sources		334,322	334,322	309,059
Interest Income		361	361	7,271
Other Sources		76,766	76,766	83,679
Contributed Capital		6,411	6,411	7,000
Loss on Adjustment to Fixed Assets		(367)	(367)	
General Fund Board Contribution		<u>1,797,024</u>	<u>1,797,024</u>	<u>2,896,330</u>
Total Nonoperating Revenues/ Expenses		<u>2,219,484</u>	<u>2,219,484</u>	<u>3,307,682</u>
Other Financing Sources/(Uses)				
Contribution to Food Service	<u>(1,797,024)</u>		<u>(1,797,024)</u>	<u>(2,196,330)</u>
Total Other Financing Sources & Uses	<u>(1,797,024)</u>		<u>(1,797,024)</u>	<u>(2,196,330)</u>
Change in Net Assets	<u>(1,553,606)</u>	<u>1,675,224</u>	<u>121,618</u>	<u>1,062,037</u>
Net Assets July 1	<u>5,437,066</u>	<u>442,951</u>	<u>5,880,017</u>	<u>4,817,980</u>
Net Assets June 30	<u>\$ 3,883,460</u>	<u>\$ 2,118,175</u>	<u>\$ 6,001,635</u>	<u>\$ 5,880,017</u>

Governmental Activities

Net assets of the District’s governmental activities decreased by \$(1,573,149). The decrease was a result of transfers to other funds. Unrestricted net assets reflect a balance of \$558,675. The decrease in net assets is a result of current year activities.

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

Program Expenses:

Instruction:	
Special Education	\$17,293,675
Other Special Instruction	109,532
Support Services:	
Student & Related Expenses	4,860,196
School Administrative Services	652,508
General & Business Services	2,188,553
Plant Operations & Maintenance	3,002,177
Pupil Transportation	150,239
Unallocated Benefits	12,259,017
Unallocated Compensated Absences	47,167
Fixed Asset Adjustments	(239,969)
Unallocated Depreciation	<u>215,000</u>
 Total Expenses	 <u>\$40,538,095</u>

The District’s Funds

The District’s governmental funds (as presented on the balance sheet on Page 19) reported a combined fund balance of \$3,883,460, which is below last year’s total of \$5,437,066. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2012 and 2011.

	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Increase (Decrease)
General Fund	<u>\$3,883,460</u>	<u>\$5,437,066</u>	<u>\$(1,553,606)</u>

General Fund

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

	2012 Amount	2011 Amount	Percentage Change
Revenues:			
County Appropriation	\$ 4,800,000	\$ 4,800,000	0.00%
Tuition Charges	35,430,674	37,561,764	(5.67)%
Non-Resident Fee	311,263	315,289	(1.28)%

Miscellaneous	175,540	259,771	(32.43)%
State Sources	3,385,530	2,860,416	18.36%
Federal Sources	<u>42,085</u>	<u>199,655</u>	<u>(78.92)%</u>
Total	<u>\$44,145,092</u>	<u>\$45,996,895</u>	<u>(4.03)%</u>

The total county appropriations revenue remained flat. Interest earnings were down. State revenue is up \$525,114 and federal revenue is down \$157,570 for the fiscal year.

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

	2012	2011	Percentage Change
Expenditures:			
Current:			
Special Education Instruction	\$17,293,675	\$17,463,812	(.97)%
Other Special Instruction	109,532	128,022	(14.44)%
Support Services & Undistributed Costs:			
Undistributed Expenditures	<u>26,498,467</u>	<u>26,303,098</u>	.74%
Total Expenditures	<u>\$43,901,674</u>	<u>\$43,894,932</u>	.02%

Expenditures are up \$6,742 or .02% over the prior year due to undistributed expense increases. Expenditures exceeded revenues during the fiscal year resulting in a decrease to fund balance.

General Fund Budget Information

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

Capital Assets

The District has \$2,085,205 invested in capital assets net of depreciation. The majority of the acquisitions were for transportation vehicles throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 7).

Debt

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

Factors Expected to Have an Effect on Future Operations

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

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$2,457,403	124,549	2,581,952	2,803,331
Security Deposit		10,245	10,245	10,245
Prepaid Expenses		200	200	
Other Receivables		182,291	182,291	401,751
Intergovernmental Accounts Receivables:				
Other	1,065,091	2,276,789	3,341,880	4,013,335
State	72,032	239	72,271	73,912
Federal		16,114	16,114	70,322
Inventory		27,963	27,963	26,016
Restricted Assets:				
Capital Reserve Account - Cash	1,501,971		1,501,971	1,501,270
Capital Assets, Net (Note 7):	1,946,535	138,670	2,085,205	2,073,877
Total Assets	7,043,032	2,777,060	9,820,092	10,974,059
LIABILITIES				
Cash Deficit		571,159	571,159	1,969,729
Accounts Payable	137,642	37,039	174,681	743,675
Other Payables		8,152	8,152	8,152
Deferred Revenue	1,075,395	42,535	1,117,930	453,575
Noncurrent Liabilities:				
Due Beyond One Year	1,242,294		1,242,294	1,195,127
Total Liabilities	2,455,331	658,885	3,114,216	4,370,258
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,946,535	138,670	2,085,205	2,073,877
Restricted for:				
Other Purposes	2,082,491		2,082,491	1,804,871
Unrestricted	558,675	1,979,505	2,538,180	2,725,053
Total Net Assets	\$4,587,701	2,118,175	6,705,876	6,603,801

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS <small>(MEMORANDUM ONLY)</small> JUNE 30, 2012	JUNE 30, 2011
Governmental Activities:						
Instruction:						
Special Education	\$17,293,675		(17,293,675)		(17,293,675)	(17,463,812)
Other Special Instruction	109,532		(109,532)		(109,532)	(128,022)
Support Services:						
Student & Instruction Related Services	4,860,196		(4,860,196)		(4,860,196)	(4,768,340)
School Administrative Services	652,508		(652,508)		(652,508)	(644,362)
General & Business Administrative Services	2,488,553		(2,488,553)		(2,488,553)	(2,125,766)
Plant Operations & Maintenance	3,002,177		(3,002,177)		(3,002,177)	(2,790,981)
Pupil Transportation	150,239		(150,239)		(150,239)	
Unallocated Benefits	15,342,139	3,383,122	(11,959,017)		(11,959,017)	(13,103,752)
Unallocated Compensated Absences	47,167		(47,167)		(47,167)	(43,381)
Unallocated Depreciation	215,000		(215,000)		(215,000)	(205,000)
Adjustment to Fixed Assets	(172,641)		172,641		172,641	
Contributed Capital Adjustment	(67,328)		67,328		67,328	
Total Governmental Activities	43,921,217	3,383,122	(40,538,095)		(40,538,095)	(41,273,416)
Business-Type Activities:						
Food Service	1,113,093	387,921	345,700	(379,472)	(379,472)	(459,483)
School Store	3,091	16,410		13,319	13,319	15,361
Educational Services	14,253,859	14,421,452	76,766	244,359	244,359	(1,310,075)

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
						(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011	
Total Business-Type Activities	15,370,043	14,825,783	422,466		(121,794)	(121,794)	(1,754,197)
Total Primary Government	\$59,291,260	14,825,783	3,805,588	(40,538,095)	(121,794)	(40,659,889)	(43,027,613)
General Revenues:							
County Appropriation				4,800,000		4,800,000	4,800,000
Federal & State Aid Not Restricted				44,493		44,493	199,655
Tuition - LEAs				26,940,825		26,940,825	29,425,820
Other Tuition				8,489,849		8,489,849	8,135,944
Non Resident Fees				311,263		311,263	315,289
Miscellaneous Income				175,540	361	175,901	274,042
Transfers				(1,797,024)	1,797,024		700,000
Contributed Capital					(367)	(367)	
Total General Revenues, Special Items, Extraordinary Items & Transfers				38,964,946	1,797,018	40,761,964	43,850,750
Change In Net Assets				(1,573,149)	1,675,224	102,075	823,137
Net Assets - Beginning				6,160,850	442,951	6,603,801	5,780,664
Net Assets - Ending				\$4,587,701	2,118,175	6,705,876	6,603,801

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

B. Fund Financial Statements

Governmental Funds

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	GENERAL FUND	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$2,457,403	2,457,403	2,680,218
Cash & Cash Equivalents - Capital Reserve	1,501,971	1,501,971	1,501,270
Interfund Receivable			219,799
Intergovernmental Accounts Receivable:			
Other	1,065,091	1,065,091	1,979,338
State	72,032	72,032	73,040
Federal			17,723
Total Assets	\$5,096,497	5,096,497	6,471,388
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Cash Deficit			12,565
Interfund Payable	\$135,433	135,433	531,952
Intergovernmental Accounts Payable	2,209	2,209	
Accounts Payable			92,530
Deferred Revenue	1,075,395	1,075,395	397,275
Total Liabilities	1,213,037	1,213,037	1,034,322
 Fund Balances:			
Restricted for:			
Capital Reserve Account	1,501,971	1,501,971	1,501,270
Assigned to:			
Other Purposes	580,520	580,520	303,601
Unassigned:			
General Fund	1,800,969	1,800,969	3,632,195
Total Fund Balances	3,883,460	3,883,460	5,437,066
 Total Liabilities & Fund Balances	 \$5,096,497		
 Amounts reported for governmental activities in the statement of net assets (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$5,835,732 and the accumulated depreciation is \$3,889,197.		1,946,535	1,918,911
Long term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,242,294)	(1,195,127)
Net Assets of Governmental Activities		\$4,587,701	6,160,850

The accompanying Notes to 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, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	TOTALS	
		JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Revenues:			
County Appropriation	\$4,800,000	4,800,000	4,800,000
Tuition Charges	26,940,825	26,940,825	29,425,820
Other Tuition	8,489,849	8,489,849	8,135,944
Nonresident Fees	311,263	311,263	315,289
Miscellaneous	175,540	175,540	259,771
State Sources	3,385,530	3,385,530	2,860,416
Federal Sources	42,085	42,085	199,655
Total Revenues	44,145,092	44,145,092	45,996,895
Expenditures:			
Current:			
Special Education Instruction	17,293,675	17,293,675	17,463,812
Other Special Instruction	109,532	109,532	128,022
Support Services & Undistributed Costs:			
Student & Instruction Related Services	4,860,196	4,860,196	4,768,340
School Administrative Services	652,508	652,508	644,362
Other Administrative Services	2,188,553	2,188,553	2,125,766
Plant Operations & Maintenance	3,004,832	3,004,832	2,790,981
Pupil Transportation	150,239	150,239	
Capital Outlay	300,000	300,000	9,481
Unallocated Benefits	15,342,139	15,342,139	15,964,168
Total Expenditures	43,901,674	43,901,674	43,894,932
Excess/(Deficiency) of Revenues Over Expenditures	243,418	243,418	2,101,963
Other Financing Sources/(Uses):			
Transfers	(1,441,168)	(1,441,168)	(1,857,290)
Contribution to Food Service	(355,856)	(355,856)	(339,040)
Total Other Financing Sources & Uses	(1,797,024)	(1,797,024)	(2,196,330)
Net Change in Fund Balances	(1,553,606)	(1,553,606)	(94,367)
Fund Balance - July 1	5,437,066	5,437,066	5,531,433
Fund Balance - June 30	\$3,883,460	3,883,460	5,437,066

The accompanying Notes to 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, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2) (\$1,553,606)

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

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

Additions	\$69,983	
Adjustments per Fixed Asset Appraisal	172,641	
Depreciation Expense	<u>(215,000)</u>	27,624

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	1,195,127	
Current Year Compensated Absences	<u>(1,242,294)</u>	(47,167)

Change in Net Assets of Governmental Activities (\$1,573,149)

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

Proprietary Funds

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINED STATEMENT OF NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	TOTALS	
					JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Current Assets:						
Cash & Cash Equivalents			124,549		124,549	135,678
Security Deposit				10,245	10,245	10,245
Prepaid Expenses				200	200	
Interfund Receivable	131,951		50,000	340	182,291	181,952
Receivable:						
State	239				239	872
Federal	16,114				16,114	52,599
Other	2,034	1,846		2,272,909	2,276,789	2,033,997
Inventories	15,524	11,637	802		27,963	26,016
Total Current Assets	165,862	13,483	175,351	2,283,694	2,638,390	2,441,359
Fixed Assets:						
Equipment	315,368	8,101	1,527	382,416	707,412	698,934
Less: Accumulated Depreciation	(195,547)	(2,117)	(1,527)	(369,551)	(568,742)	(543,968)
Total Fixed Assets	119,821	5,984		12,865	138,670	154,966
Total Assets	285,683	19,467	175,351	2,296,559	2,777,060	2,596,325
LIABILITIES						
Cash Deficit	39,851	124		531,184	571,159	1,969,729
Accounts Payable				37,039	37,039	119,193
Interfund Payables		8,152			8,152	8,152
Deferred Revenue				42,535	42,535	56,300
Total Liabilities	39,851	8,276		610,758	658,885	2,153,374
NET ASSETS						
Unrestricted	126,011	5,207	175,351	1,672,936	1,979,505	287,985
Investment in Capital Assets Net of Related Debt	119,821	5,984		12,865	138,670	154,966
Total Net Assets	\$245,832	11,191	175,351	1,685,801	2,118,175	442,951

The accompanying Notes to 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 ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	TOTALS	
					JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
OPERATING REVENUES						
Local Sources:						
Daily Sales - Reimbursable Programs:						
School Lunch & Breakfast Programs	\$83,123				83,123	85,883
Daily Sales - Nonreimbursable Program	72,364	75,784			148,148	158,597
Special Functions	115,306	6,229			121,535	151,142
Fees for Services				14,421,452	14,421,452	13,603,528
Other Revenue	34,981	134			35,115	664,790
Sale of Merchandise			16,410		16,410	16,735
Total Operating Revenue	305,774	82,147	16,410	14,421,452	14,825,783	14,680,675
OPERATING EXPENSES						
Salaries & Wages	503,701			8,469,860	8,973,561	9,876,063
Purchased Professional Services	118,271			390,539	508,810	527,536
Telephone/Communication/Postage				16,565	16,565	14,849
Purchased Services - Transportation				5,092,001	5,092,001	5,463,123
Repairs	25,758			6,143	31,901	34,552
Supplies & Materials	40,877			41,682	82,559	154,065
Travel				16,905	16,905	16,561
Training & Seminars				10,749	10,749	27,339
Other Objects				166,680	166,680	116,780
Depreciation	11,434	427		10,479	22,340	37,436
Miscellaneous Expenditures	33,012			32,256	65,268	85,374
Cost of Sales	304,228	75,385	3,091		382,704	478,275
Total Operating Expenses	1,037,281	75,812	3,091	14,253,859	15,370,043	16,831,953
Operating Gain\ (Loss)	(731,507)	6,335	13,319	167,593	(544,260)	(2,151,278)
Nonoperating Revenues:						
State Sources:						
State School Lunch Program	4,654				4,654	4,061
Extended School Nutrition Program	313				313	282
Federal Source:						
School Breakfast Program	99,548				99,548	93,903
National School Lunch Program	193,325				193,325	168,799
Extended School Nutrition Program	19,123				19,123	18,058
Food Distribution Program	22,326				22,326	28,299
Other Sources:						
BCIP Inclusion Project				58,616	58,616	66,579
Crisis Response				18,150	18,150	17,100
Interest Income	29	3	55	274	361	7,271
Operating Transfer In/(Out) General						
Fund Board Contribution	355,856			1,441,168	1,797,024	2,896,330
Due from General Fund						7,000
Contributed Capital		6,411			6,411	
Loss on Adjustment to Fixed Assets	(367)				(367)	
Total Nonoperating Revenues/Expenses	694,807	6,414	55	1,518,208	2,219,484	3,307,682
Change in Net Assets	(36,700)	12,749	13,374	1,685,801	1,675,224	1,156,404
Total Net Assets - Beginning	282,532	(1,558)	161,977		442,951	(713,453)
Total Net Assets - Ending	\$245,832	11,191	175,351	1,685,801	2,118,175	442,951

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

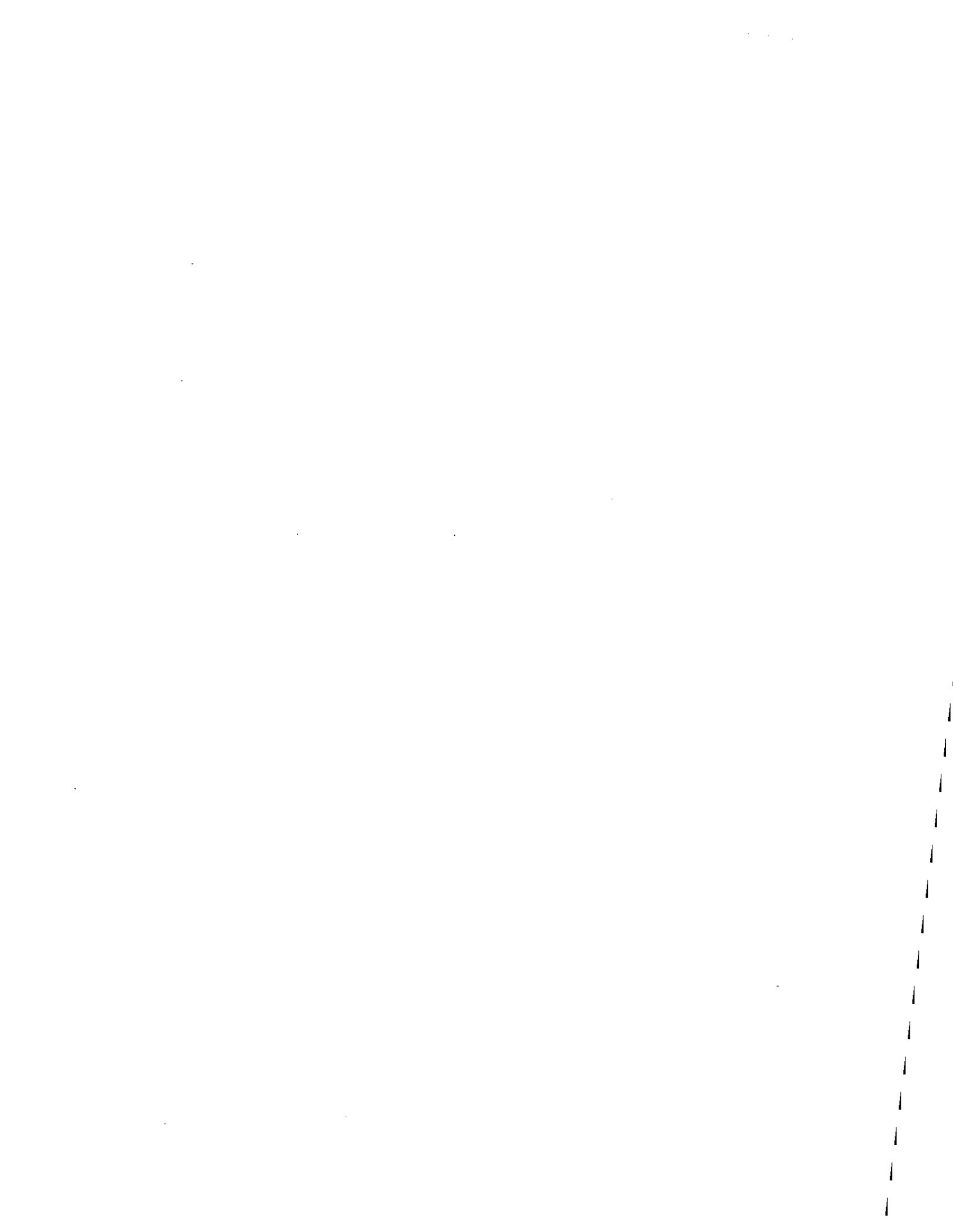
BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>				<u>TOTALS</u>	
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	EDUCATIONAL SCHOOL STORE	EDUCATIONAL SERVICES UNIT	(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:						
Receipts from Customers	\$334,674	83,810	16,410	14,133,993	14,568,887	15,262,963
Payments to Employees	(503,701)			(8,469,860)	(8,973,561)	(9,876,063)
Payments to Suppliers	(628,594)	(80,051)	(2,116)	(5,747,682)	(6,458,443)	(6,806,592)
Net Cash Provided/(Used) by Operating Activities	(797,621)	3,759	14,294	(83,549)	(863,117)	(1,419,692)
Cash Flows From Noncapital Financing Activities:						
State Sources	5,600				5,600	4,895
Federal Sources	370,807				370,807	285,076
Other Sources				76,766	76,766	83,679
Operating Subsidies & Transfers to Other Funds	355,856			1,441,168	1,797,024	2,903,330
Net Cash Provided/(Used) by Noncapital Financing Activities	732,263			1,517,934	2,250,197	3,276,980
Cash Flows From Investing Activities:						
Interest & Dividends	29	3	55	274	361	7,271
Net Cash Provided/(Used) by Investing Activities	29	3	55	274	361	7,271
Net Increase/(Decrease) in Cash & Cash Equivalents	(65,329)	3,762	14,349	1,434,659	1,387,441	1,864,559
Balances - Beginning of Year	25,478	(3,886)	110,200	(1,965,843)	(1,834,051)	(3,698,610)
Balances - End of Year	(\$39,851)	(124)	124,549	(531,184)	(446,610)	(1,834,051)

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

Operating Income/(Loss)	(\$731,507)	6,335	13,319	167,593	(544,260)	(2,151,278)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:						
Depreciation & Net Amortization	11,434	427		10,479	22,340	37,436
(Increase)/Decrease in Accounts Receivable, Net	28,900	1,663		(273,694)	(243,131)	525,988
(Increase)/Decrease in Inventories	1,744	(4,666)	975		(1,947)	(6,870)
Increase/(Decrease) in Deferred Revenue				(13,765)	(13,765)	56,300
(Increase)/Decrease in Prepaid Expenses				(200)	(200)	
Increase/(Decrease) in Accounts Payable	(108,192)			26,038	(82,154)	118,732
Total Adjustments	(66,114)	(2,576)	975	(251,142)	(318,857)	731,586
Net Cash Provided/(Used) by Operating Activities	(\$797,621)	3,759	14,294	(83,549)	(863,117)	(1,419,692)

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



Fiduciary Fund

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS	
	DONATION TRUST	UNEMPLOYMENT COMPENSATION	PAYROLL FUND	STUDENT ACTIVITY	JUNE 30, 2012	JUNE 30, 2011
					(MEMORANDUM ONLY)	
Cash & Cash Equivalents	\$96,306	6,106	483,848	288,092	874,352	577,309
Interfund Receivable				125,000	125,000	350,000
Total Assets	96,306	6,106	483,848	413,092	999,352	927,309
LIABILITIES						
Payroll Deductions & Withholdings			320,142		320,142	232,377
Interfunds Payable			163,706		163,706	211,647
Payable to Student Groups				413,092	413,092	412,510
Total Liabilities			483,848	413,092	896,940	856,534
NET ASSETS						
Reserved for Unemployment Claims		6,106			6,106	6,103
Reserved for Students	96,306				96,306	64,672
Total Net Assets	\$96,306	6,106	-	-	102,412	70,775

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		TOTALS	
	DONATION	UNEMPLOYMENT	JUNE 30,	(MEMORANDUM ONLY)
	TRUST	TRUST		2012
				2011
ADDITIONS				
Donations	\$31,600		31,600	4,649
Total Contributions	31,600		31,600	4,649
Due from General Fund				
Interest Earnings	34	3	37	506
Total Interest Earnings	34	3	37	506
Total Additions	31,634	3	31,637	5,155
DEDUCTIONS				
Transfers Out				700,000
Total Deductions				700,000
Change in Net Assets	31,634	3	31,637	(694,845)
Net Assets-Beginning of the Year	64,672	6,103	70,775	765,620
Net Assets - End of the Year	\$96,306	6,106	102,412	70,775

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL
BOARD OF EDUCATION**

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

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

The District has implemented these standards beginning with the fiscal year-ended June 30, 2004 with the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures*; Statement 44 – *Economic Condition Reporting – The Statistical Section* and Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity:

The 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, 2012 of 793 students.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

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

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

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

B. District-Wide and Fund Financial Statements

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

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

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

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

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

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

D. Fund Accounting:

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

Governmental Funds

General Fund - The general fund is the general operating fund of the Burlington County Special Services School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Proprietary Fund

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

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

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

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

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

Fiduciary Fund

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

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

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

E. Basis of Accounting:

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

E. Basis of Accounting (continued):

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

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

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

F. Budgets/Budgetary Control:

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

Annual appropriated budgets are prepared in the spring of each year for the general fund. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts reference in *N.J.A.C.6:20-2A.2(m)1*. Transfers of appropriations may be made by Burlington County Special Services School District resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

F. Budgets/Budgetary Control (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.

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

**Notes to Required Supplementary Information.
Budgetary Comparison Schedule**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	<u>\$44,145,070</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$44,145,070</u>
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$43,901,674</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$43,901,674</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

G. Encumbrances:

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

Open encumbrances in the special revenue fund for which the Burlington County Special Services School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. Cash, Cash Equivalents and Investments:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection 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.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

I. Tuition Receivable/Payable

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2009-2010 and 2010-2011 have been established and the District has billed/paid the school boards that have adjustments.

J. Inventories & Prepaid Expenses

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

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

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

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Burlington County Special Services School District and that are due within one year.

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 1995 were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the equalized valuation basis and through estimation procedures performed by an independent appraisal company, respectively.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

L. Fixed Assets (continued):

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

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

N. Compensated Absences

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

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

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

O. Deferred Revenue

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

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

P. Long-term Obligations

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

Q. County Agreement

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

R. Subsequent Events:

Burlington County Special Services School District has evaluated subsequent events occurring after June 30, 2012 through the date of August 3, 2012, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

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

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$4,387,116</u>
Total Deposits	<u>\$4,387,116</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Governmental Activities	\$3,959,374
Business-Type Activities	(446,610)
Fiduciary Funds	<u>874,352</u>
Total Cash and Cash Equivalents	<u>\$4,387,116</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 2. Cash and Cash Equivalents (continued):

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District does have a deposit policy for custodial credit risk. As of June 30, 2012, the District’s bank balance of \$6,998,295 was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the District’s Name Under GUDPA (See Note 3)	<u>6,748,295</u>
Total	<u>\$6,998,295</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

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

liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

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

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

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

Note 4. Capital Reserve Account

A capital reserve account was established by the Burlington County Special Services School District by inclusion of \$500.00 on November 29, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 4. Capital Reserve Account (continued):

Beginning Balance, July 1, 2011	\$1,501,270
Interest Earnings	<u>701</u>
Ending Balance, June 30, 2012	<u>\$1,501,971</u>

The June 30, 2012 LRFPP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$4,016,000. This plan has yet to receive State approval.

Note 5. Transfers to Capital Projects Fund

During the year ending June 30, 2012, the District transferred \$ -0- to the capital outlay accounts.

Note 6. Inventory

Inventory in the Enterprise Funds at June 30, 2012 consisted of the following:

Food Service Fund – Food Supplies	\$15,524
Human Services Facility – Food Supplies	11,637
School Store – Clothing & Other Resale Items	<u>802</u>
Total	<u>\$27,963</u>

Note 7. Fixed Assets

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

	June 30, 2011	Additions	Deletions	Adjustments	June 30, 2012
Machinery & Equipment	\$6,135,042	\$69,983	\$ -	\$(369,293)	\$5,835,732
Accumulated Depreciation	<u>(4,216,131)</u>	<u>(215,000)</u>		541,934	<u>(3,889,197)</u>
Total	<u>\$1,918,911</u>	<u>\$(145,017)</u>	\$ -	\$172,641	<u>\$1,946,535</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 7. Fixed Assets (continued):

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

	June 30, 2011	Additions	Deletions	Adjustments	June 30, 2012
Machinery & Equipment	\$698,934	\$ 6,411	\$ -	\$ 2,067	\$707,412
Less: Accumulated Depreciation	<u>(543,968)</u>	<u>\$(22,340)</u>		<u>(2,434)</u>	<u>(568,742)</u>
Net Fixed Assets	<u>\$154,966</u>	<u>\$(15,929)</u>	\$ -	\$ (367)	<u>\$138,670</u>

Note 8. Long-Term Debt

Long-term obligations at June 30, 2012 and changes for the fiscal year then ended are as follows:

	Balance June 30, 2011	Increased	Balance June 30, 2012
Compensated Absences Payable	<u>\$1,195,127</u>	<u>\$47,167</u>	<u>\$1,242,294</u>

Note 9. Pension Plans

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 9. Pension Plans (continued):

teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 9. Pension Plans (continued):

were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

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

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

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

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

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation, as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$1,254,072	100%	\$ -0-
6/30/11	1,246,153	100%	-0-
6/30/10	967,404	100%	-0-

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 9. Pension Plans (continued):

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$1,925,479	100%	\$ -0-
6/30/11	1,375,824	100%	-0-
6/30/10	1,276,475	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$1,925,479 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$1,457,643 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Note 11. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

Note 11. Compensated Absences (continued):

contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after fifteen years of service. The amount at June 30, 2012 is \$1,242,294.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

Note 12. Deferred Compensation

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

The Equitable	TD Bank
Lincoln Investments Planning, Inc.	Washington National
The Vanguard Group	

Note 13. Risk Management

The Burlington County Special Services School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; legal liability; worker's compensation and natural disasters.

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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

Note 13. Risk Management (continued):

Fiscal Year	District Contributions	Amount Reimbursed	Ending Balance
2011-2012	\$ None	\$ None	\$ 6,106
2010-2011	None	None	6,103
2009-2010	None	None	706,057

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

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

Note 14. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund		\$135,433
Trust & Agency Fund	\$125,000	163,706
Proprietary Fund	<u>182,291</u>	<u>8,152</u>
Total	<u>\$307,291</u>	<u>\$307,291</u>

The purpose of interfunds are short-term borrowings.

Note 15. GASB #54 - Fund Balance Disclosures

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

Note 15. GASB #54 – Fund Balance Disclosures (continued):

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

General Fund – of the \$3,883,439 General Fund fund balance at June 30, 2012, \$1,501,971 has been restricted for the Capital Reserve Account; \$580,520 is assigned to other purposes and \$1,800,948 is unassigned.

Note 16. Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:											
Local Sources:											
County Appropriations	10-1210	\$4,800,000		4,800,000	4,800,000		4,800,000		4,800,000	4,800,000	
Tuition - LEAs	10-1310	28,594,647		28,594,647	26,940,825	(1,653,822)	29,982,000		29,982,000	29,425,820	(556,180)
Other Tuition	10-1320-1340				8,489,849	8,489,849				8,135,944	8,135,944
Nonresident Fees	10-1350	374,000		374,000	311,263	(62,737)	412,000		412,000	315,289	(96,711)
Interest Earned on Capital Reserve	10-1XXX	11,000		11,000	701	(10,299)	15,968		15,968	10,762	(5,206)
Miscellaneous	10-1XXX	7,545,760		7,545,760	174,818	(7,370,942)	7,113,719		7,113,719	249,009	(6,864,710)
Total Local Sources		41,325,407		41,325,407	40,717,456	(607,951)	42,323,687		42,323,687	42,936,824	613,137
State Sources:											
Nonbudgeted:											
Reimbursed TPAF Pension Contributions					1,925,479	1,925,479				1,375,824	1,375,824
Reimbursed TPAF Social Security Contributions					1,457,643	1,457,643				1,484,592	1,484,592
Other State Aid	10-3XXX				2,408	2,408					
Total State Sources					3,385,530	3,385,530				2,860,416	2,860,416
Federal Sources:											
Special Education Aid - Medicaid Initiative	11-4200-000	109,000		109,000	42,085	(66,915)	100,000		100,000	181,932	81,932
Total Federal Services		109,000		109,000	42,085	(66,915)	100,000		100,000	181,932	81,932
Total Revenues		41,434,407		41,434,407	44,145,071	2,710,664	42,423,687		42,423,687	45,979,172	3,555,485
Expenditures:											
Current Expense:											
Special Education - Instruction:											
Behavioral Disabilities:											
Salaries of Teachers	11-209-100-101	3,644,841	(215,813)	3,429,028	3,428,391	637	3,957,990	(323,755)	3,634,235	3,633,304	931
Other Salaries for Instruction	11-209-100-106	1,401,375	(70,915)	1,330,460	1,326,954	3,506	1,345,195	(29,426)	1,315,769	1,304,732	11,037
Purchased Professional Education Services	11-209-100-320	2,000	(2,000)					3,127	3,127	3,119	8
Purchased Technical Services	11-209-100-340						560		560		560
Other Purchased Services	11-209-100-500	73,948	7,101	81,049	66,049	15,000	48,513	25,273	73,786	55,040	18,746
General Supplies	11-209-100-610	175,448	10,142	185,590	160,647	24,943	201,097	76,856	277,953	254,500	23,453
Textbooks	11-209-100-640	16,176	(7,300)	8,876	8,656	220	20,520	(2,850)	17,670	17,463	207
Other Objects	11-209-100-890						1,000	(1,000)			

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Behavioral Disabilities	5,313,788	(278,785)	5,035,003	4,990,697	44,306	5,574,875	(251,775)	5,323,100	5,268,158	54,942	
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	4,307,383	29,455	4,336,838	4,331,345	5,493	4,246,308	58,700	4,305,008	4,299,511	5,497
Other Salaries for Instruction	11-212-100-106	2,647,363	14,780	2,662,143	2,661,398	745	2,590,628	(161,800)	2,428,828	2,425,685	3,143
Purchased Technical Services	11-212-100-340						2,000				
Other Purchased Services	11-212-100-500	78,605	(12,650)	65,955	59,348	6,607	54,600	16,302	70,902	44,351	26,551
General Supplies	11-212-100-610	146,795	7,873	154,668	123,340	31,328	181,557	25,372	206,929	183,528	23,401
Textbooks	11-212-100-640						5,378	(391)	4,987	4,986	1
49 Total Multiple Disabilities		7,180,146	39,458	7,219,604	7,175,431	44,173	7,080,471	(63,817)	7,016,654	6,958,061	58,593
Autism:											
Salaries of Teachers	11-214-100-101	1,295,769	14,550	1,310,319	1,309,954	365	1,180,464	51,365	1,231,829	1,229,342	2,487
Other Salaries for Instruction	11-214-100-106	1,400,564	199,740	1,600,304	1,600,282	22	1,511,053	(124,801)	1,386,252	1,386,173	79
Other Purchased Services	11-214-100-500	87,431	(3,126)	84,305	83,943	362	12,358	405,154	417,512	413,627	3,885
General Supplies	11-214-100-610	45,787	624	46,411	37,473	8,938	37,179	2,924	40,103	39,570	533
Total Autism		2,829,551	211,788	3,041,339	3,031,652	9,687	2,741,054	334,642	3,075,696	3,068,712	6,984
Preschool Disabilities -Full-Time:											
Salaries of Teachers	11-216-100-101	325,783	(61,815)	263,968	263,665	303	312,887	1,800	314,687	313,034	1,653
Other Salaries for Instruction	11-216-100-106	254,895	(29,100)	225,795	225,111	684	232,841	19,100	251,941	251,873	68
Other Purchased Services	11-216-100-500	1,588	2,449	4,037	3,652	385	800	(41)	759	438	321
General Supplies	11-216-100-610	23,067	(950)	22,117	18,040	4,077	17,125	(5,364)	11,761	11,568	193
Total Preschool Disabilities - Full-Time		605,333	(89,416)	515,917	510,468	5,449	563,653	15,495	579,148	576,913	2,235
Home Instruction:											
Salaries of Teachers	11-219-100-101	10,000	(1,550)	8,450	8,432	18	12,000	(10,000)	2,000	1,266	734
Total Home Instruction		10,000	(1,550)	8,450	8,432	18	12,000	(10,000)	2,000	1,266	734
Extended School Year:											
Salaries of Teachers	11-221-100-101	493,404	(33,700)	459,704	459,641	63	487,823	(11,100)	476,723	476,720	3
Other Salaries for Instruction	11-221-100-106	284,771	(600)	284,171	284,092	79	231,249	40,500	271,749	271,729	20
Purchased Professional Education Services	11-221-100-320							27,110	27,110	27,102	8
General Supplies	11-221-100-610	5,000	(4,000)	1,000		1,000	10,000	(2,500)	7,500	7,258	242

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Extended School Year	783,175	(38,300)	744,875	743,733	1,142	729,072	54,010	783,082	782,809	273	
Cognitive Severe:											
Salaries of Teachers	11-222-100-101	387,814	82,982	470,796	470,549	247	430,933	(58,805)	372,128	371,676	452
Other Salaries for Instruction	11-222-100-106	447,572	(94,967)	352,605	347,967	4,638	403,846	(16,678)	387,168	387,168	
Other Purchased Services	11-222-100-500	1,800	1,000	2,800	2,246	554	2,356	(856)	1,500		1,500
General Supplies	11-222-100-610	16,773	(3,429)	13,344	12,500	844	19,438	16,600	36,038	31,326	4,712
Total Cognitive-Severe		853,959	(14,414)	839,545	833,262	6,283	856,573	(59,739)	796,834	790,170	6,664
Total Special Education		17,575,952	(171,219)	17,404,733	17,293,675	111,058	17,557,698	18,816	17,576,514	17,446,089	130,425
School Sponsored Cocurricular Activities:											
Salaries (Stipends)	11-401-100-100	100,000	5,500	105,500	105,309	191	82,000	39,093	121,093	120,895	198
Other Purchased Services	11-401-100-500		3,000	3,000	2,875	125		2,656	2,656	2,656	
Supplies and Materials	11-401-100-600	3,000	(1,600)	1,400	1,348	52	10,000	(5,000)	5,000	4,471	529
Total School Sponsored Cocurricular Activities		103,000	6,900	109,900	109,532	368	92,000	36,749	128,749	128,022	727
Total Instruction		17,678,952	(164,319)	17,514,633	17,403,207	111,426	17,649,698	55,565	17,705,263	17,574,111	131,152
Undistributed Expenditures:											
Community Services:											
Salaries	11-800-330-100	7,900	8,400	16,300	16,270	30	86,100	(67,266)	18,834	13,325	5,509
Supplies and Materials	11-800-330-600	1,500	(1,000)	500	386	114	5,500		5,500	150	5,350
Total Community Services		9,400	7,400	16,800	16,656	144	91,600	(67,266)	24,334	13,475	10,859
Health Services:											
Salaries	11-000-213-100	564,312	19,900	584,212	583,762	450	539,769	8,969	548,738	548,738	
Purchased Professional Services	11-000-213-330	16,000		16,000	14,847	1,153	16,000	2,610	18,610	18,317	293
Other Purchased Services	11-000-213-500	583		583	544	39	500	(400)	100		100
Supplies and Materials	11-000-213-610	18,207	(434)	17,773	17,226	547	13,110	(155)	12,955	12,955	
Other Objects	11-000-213-890	505		505	380	125	100		100		100
Total Health Services		599,607	19,466	619,073	616,759	2,314	569,479	11,024	580,503	580,010	493

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Related Services											
Services:											
Salaries	11-000-216-100	2,252,908	(166,600)	2,086,308	2,086,047	261	2,080,387	(65,774)	2,014,613	2,014,613	
Purchased Prof Services	11-000-216-101		25,000	25,000	20,938	4,062					
Supplies & Materials	11-000-216-610	10,041	(500)	9,541	8,639	902	18,201	(8,610)	9,591	7,398	2,193
Total Other Related Services		2,262,949	(142,100)	2,120,849	2,115,624	5,225	2,098,588	(74,384)	2,024,204	2,022,011	2,193
Other Support Services - Students - Special											
Services:											
Salaries of Other Professional Staff	11-000-219-104	202,248	6,050	208,298	208,264	34	203,670	(271)	203,399	203,392	7
Salaries of Secretarial & Clerical Assistants	11-000-219-105	231,115	(5,204)	225,911	225,750	161	205,796	(3,185)	202,611	199,930	2,681
Other Salaries	11-000-219-110	1,387,144	(72,701)	1,314,443	1,314,072	371	1,428,615	(52,736)	1,375,879	1,373,846	2,033
Purchased Ed Services	11-000-219-320		30,106	30,106	30,106						
Purchased Technical Services	11-000-219-390	11,200	22,750	33,950	29,752	4,198	10,750	83,637	94,387	93,961	426
Other Purchased Services	11-000-219-500	1,600	2,846	4,446	2,558	1,888	3,575	(314)	3,261	3,100	161
Supplies & Materials	11-000-219-610	18,577	(2,791)	15,786	15,528	258	23,537	(1,416)	22,121	22,081	40
Other Objects	11-000-219-890	2,850	879	3,729	3,684	45	2,800	(570)	2,230	2,230	
Total Other Support Services - Students - Special Services		1,854,734	(18,065)	1,836,669	1,829,714	6,955	1,878,743	25,145	1,903,888	1,898,540	5,348
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	133,058		133,058	133,058		133,700	(5,000)	128,700	128,558	142
Salaries of Other Professional Staff	11-000-221-104	32,000	(5,000)	27,000	25,138	1,862	26,000	2,400	28,400	28,369	31
Salaries of Secretarial & Clerical Assistants	11-000-221-105	53,389		53,389	53,389		51,633		51,633	51,633	
Other Purchased Services	11-000-221-500	31,500	(6,325)	25,175	21,187	3,988	1,500	24,500	26,000	25,967	33
Supplies and Materials	11-000-221-610	3,000	(800)	2,200	1,936	264	1,000	2,649	3,649	2,379	1,270
Other Objects	11-000-221-890	5,200	1,300	6,500	6,293	207	5,200	(2,800)	2,400	2,326	74
Total Improvement of Instruction Services/Other Support Services Instructional Staff		258,147	(10,825)	247,322	241,001	6,321	219,033	21,749	240,782	239,232	1,550
Instructional Staff Training Services:											
Salaries of Other Professional Staff	11-000-223-104	5,000	600	5,600	5,600		15,000	(12,700)	2,300	2,300	
Other Purchased Services	11-000-223-500	42,250	(13,775)	28,475	26,685	1,790	29,750	(18,000)	11,750	10,959	791
Supplies and Materials	11-000-223-600	4,000	9,000	13,000	8,157	4,843	4,000	(1,277)	2,723	1,813	910
Total Instructional Staff Training Services		51,250	(4,175)	47,075	40,442	6,633	48,750	(31,977)	16,773	15,072	1,701

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services General Administration:											
Salaries	11-000-230-100	270,688	(45,500)	225,188	200,287	24,901	273,225	20,400	293,625	293,237	388
Legal Services	11-000-230-331	45,000	(1,711)	43,289	18,948	24,341	40,000		40,000	21,625	18,375
Audit Fees	11-000-230-332	42,000	4,000	46,000	20,495	25,505	40,000	5,000	45,000	45,000	
Other Purchased Professional Services	11-000-230-339	25,000	4,200	29,200	29,148	52	25,000	5,500	30,500	29,867	633
Communications/Telephone	11-000-230-530	320,000	71,100	391,100	346,288	44,812	400,000	(181,400)	218,600	215,911	2,689
BOE Other Purchased Services	11-000-230-585	20,000	(2,000)	18,000	17,435	565	20,000		20,000	12,645	7,355
Supplies and Materials	11-000-230-610	10,000	(7,300)	2,700	2,688	12	10,000	(700)	9,300	1,952	7,348
Miscellaneous Expenditures	11-000-230-890	15,000	3,700	18,700	11,098	7,602	15,000	8,700	23,700	16,064	7,636
BOE Membership Dues and Fees	11-000-230-895	15,000	(8,200)	6,800	6,121	679	15,000		15,000	8,061	6,939
Total Support Services General Administration		762,688	18,289	780,977	652,508	128,469	838,225	(142,500)	695,725	644,362	51,363
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	807,473	23,200	830,673	820,472	10,201	887,306	(90,716)	796,590	779,720	16,870
Salaries of Secretarial & Clerical Assistants	11-000-240-105	291,182	23,300	314,482	308,670	5,812	276,679	18,000	294,679	293,661	1,018
Other Purchased Services	11-000-240-500	3,200	(300)	2,900	896	2,004	3,500	985	4,485	2,478	2,007
Supplies and Materials	11-000-240-610	16,626	(1,464)	15,162	11,838	3,324	14,466	(785)	13,681	9,317	4,364
Other Objects	11-000-240-890	10,262	2,164	12,426	11,726	700	7,635	2,283	9,918	9,193	725
Total Support Services School Administration		1,128,743	46,900	1,175,643	1,153,602	22,041	1,189,586	(70,233)	1,119,353	1,094,369	24,984
Support Services Central Services											
Salaries	11-000-251-100	556,949	(19,800)	537,149	537,137	12	602,710	(54,900)	547,810	547,060	750
Purchased Professional Services	11-000-251-330	23,000	11,368	34,368	34,368			26,800	26,800	26,793	7
Other Purchased Services	11-000-251-592	135,000	(10,263)	124,737	124,144	593	100,000	88,840	188,840	180,706	8,134
Supplies and Materials	11-000-251-610	22,000	7,395	29,395	29,395		20,000	2,000	22,000	21,957	43
Other Objects	11-000-251-890	10,000	20,300	30,300	29,398	902	10,000	(5,240)	4,760	4,175	585
Total Support Services Central Services		746,949	9,000	755,949	754,442	1,507	732,710	57,500	790,210	780,691	9,519
Support Services Administrative Information Technology:											
Salaries	11-000-252-100	150,729	1,000	151,729	151,406	323	149,438	(2,000)	147,438	146,395	1,043
Other Purchased Professional Services	11-000-252-330	68,346	(18,000)	50,346	49,667	679	39,350	17,015	56,365	54,830	1,535
Other Purchased Services	11-000-252-500						2,750	(2,715)	35		35
Supplies and Materials	11-000-252-600	65,000	39,260	104,260	78,900	25,360	84,156	(11,188)	72,968	49,020	23,948
Other Objects	11-000-252-800	1,000		1,000	536	464	1,000		1,000	461	539
Total Support Services Administrative Information Technology		285,075	22,260	307,335	280,509	26,826	276,694	1,112	277,806	250,706	27,100

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	440,197	3,928	444,125	444,124	1	436,863	(32,355)	404,508	404,447	61
Cleaning, Repair & Maintenance Services	11-000-261-420	240,000	166,753	406,753	231,619	175,134	133,000	115,702	248,702	200,946	47,756
General Supplies	11-000-261-610	117,000	51,311	168,311	162,605	5,706	170,000	(5,986)	164,014	111,501	52,513
Other Objects	11-000-261-890	2,250	50	2,300	2,296	4	500		500	489	11
Total Allowable Maintenance for School Facilities		799,447	222,042	1,021,489	840,644	180,845	740,363	77,361	817,724	717,383	100,341
Operation & Maintenance of Plant:											
Salaries	11-000-262-100	872,871	(7,404)	865,467	865,412	55	864,788	(24,760)	840,028	836,172	3,856
Purchased Professional & Technical Services	11-000-262-300	29,250	1,451	30,701	29,892	809	27,000	(18,000)	9,000	7,251	1,749
Cleaning, Repair & Maintenance Services	11-000-262-420	12,000	28,138	40,138	20,426	19,712	35,000	50,952	85,952	61,872	24,080
Other Purchased Property Services	11-000-262-490	83,600	(5,000)	78,600	71,347	7,253	76,600	5,200	81,800	77,085	4,715
Insurance	11-000-262-520	131,095	45,000	176,095	175,086	1,009	124,855	(12,000)	112,855	110,792	2,063
General Supplies	11-000-262-610	124,000	70,630	194,630	173,132	21,498	159,000	34,603	193,603	132,453	61,150
Energy (Natural Gas)	11-000-262-621	490,000	(161,000)	329,000	249,087	79,913	477,400	(10,000)	467,400	262,530	204,870
Energy (Electricity)	11-000-262-622	760,000	(107,500)	652,500	562,798	89,702	742,500		742,500	566,186	176,314
Other Objects	11-000-262-800	2,500		2,500	2,196	304	2,500	(1,000)	1,500	1,072	428
Total Operation & Maintenance of Plant		2,505,316	(135,685)	2,369,631	2,149,376	220,255	2,509,643	24,995	2,534,638	2,055,413	479,225
Care & Upkeep of Grounds:											
Cleaning, Repair & Maintenance Services	11-000-263-420	10,000		10,000	2,548	7,452		10,000	10,000	3,160	6,840
General Supplies	11-000-263-610	30,000	(12,000)	18,000	12,264	5,736	50,000	(28,100)	21,900	15,025	6,875
Total Care & Upkeep of Grounds		40,000	(12,000)	28,000	14,812	13,188	50,000	(18,100)	31,900	18,185	13,715
Total Operation & Maintenance of Plant Services & Allowable Maintenance for School Facilities		3,344,763	74,357	3,419,120	3,004,832	414,288	3,300,006	84,256	3,384,262	2,790,981	593,281

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Student Transportation Services:											
Salaries Pupil Transportation (Between Home & School) Nonpublic	11-000-270-163		132,563	132,563	132,546	17					
Cleaning, Repair, & Maintenance Services	11-000-270-420		17,850	17,850	17,693	157					
Total Student Transportation Services			150,413	150,413	150,239	174					
Unallocated Benefits Employee Benefits:											
Social Security Contributions	11-000-291-220	1,126,856		1,126,856	1,087,476	39,380	1,333,280	(230,000)	1,103,280	1,097,115	6,165
Other Retirement Contributions - Regular	11-000-291-241	1,346,107	(61,500)	1,284,607	1,281,705	2,902	1,074,215	205,000	1,279,215	1,274,639	4,576
Unemployment Compensation	11-000-291-250	155,000	5,000	160,000	97,627	62,373	125,000	76,000	201,000	170,317	30,683
Workmen's Compensation	11-000-291-260	630,000	(99,000)	531,000	526,890	4,110	682,500	(130,500)	552,000	542,695	9,305
Health Benefits	11-000-291-270	8,769,977	157,100	8,927,077	8,927,077		9,545,000	453,000	9,998,000	9,984,441	13,559
Tuition Reimbursement	11-000-291-280	55,000	3,900	58,900	38,242	20,658	54,000	(10,000)	44,000	34,545	9,455
Total Unallocated Benefits - Employee Benefits		12,082,940	5,500	12,088,440	11,959,017	129,423	12,813,995	363,500	13,177,495	13,103,752	73,743
Nonbudgeted:											
Reimbursed TPAF Pension Contributions					1,925,479	(1,925,479)				1,375,824	(1,375,824)
Reimbursed TPAF Social Security Contributions					1,457,643	(1,457,643)				1,484,592	(1,484,592)
Total Undistributed Expenditures		23,387,245	178,420	23,565,665	26,198,467	(2,632,802)	24,057,409	177,926	24,235,335	26,293,617	(2,058,282)
Total Expenditures - Current Expense		41,066,197	14,101	41,080,298	43,601,674	(2,521,376)	41,707,107	233,491	41,940,598	43,867,728	(1,927,130)
Capital Outlay:											
Special Education - Instruction:											
Behavioral Disabilities	12-209-100-730							7,181	7,181	7,181	
Autism	12-214-100-730							2,919	2,919	2,300	619
Total Special Education								10,100	10,100	9,481	619

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures:											
Contribution for County Debt Service	12-000-510-900		300,000	300,000	300,000						
Increase in Capital Reserve	10-604						100,000		100,000		100,000
Interest Deposit to Capital Reserve	10-604	11,000	(11,000)				15,968		15,968		15,968
Total Undistributed Expenditures		11,000	289,000	300,000	300,000		115,968		115,968		115,968
Total Capital Outlay		11,000	289,000	300,000	300,000		115,968	10,100	126,068	9,481	116,587
Total Expenditures		41,077,197	303,101	41,380,298	43,901,674	(2,521,376)	41,823,075	243,591	42,066,666	43,877,209	(1,810,543)
Excess/(Deficiency) of Revenues Over/(Under)											
Expenditures Before Other Financing Sources/(Uses)		357,210	(303,101)	54,109	243,418	189,309	600,612	(243,591)	357,021	2,101,963	1,744,942
Other Financing Sources/(Uses):											
Transfers In/(Out)					(1,441,168)	1,441,168				(1,857,290)	1,857,290
Board Contribution to Food Service Fund		(357,210)	(500)	(357,710)	(355,856)	(1,854)	(600,612)	200,000	(400,612)	(339,040)	(61,572)
Total Other Financing Sources/(Uses)		(357,210)	(500)	(357,710)	(1,797,024)	1,439,314	(600,612)	200,000	(400,612)	(2,196,330)	1,795,718
Excess/(Deficiency) of Revenues Over/(Under)											
Expenditures After Other Financing Sources/(Uses)			(303,601)	(303,601)	(1,553,606)	(1,250,005)		(43,591)	(43,591)	(94,367)	(50,776)
Fund Balances, July 1		5,437,066		5,437,066	5,437,066		5,531,433		5,531,433	5,531,433	
Fund Balances, June 30		<u>\$5,437,066</u>	<u>(303,601)</u>	<u>5,133,465</u>	<u>3,883,460</u>	<u>(1,250,005)</u>	<u>5,531,433</u>	<u>(43,591)</u>	<u>5,487,842</u>	<u>5,437,066</u>	<u>(50,776)</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$1,501,971
Assigned Fund Balance:	
Year-End Encumbrances	580,520
Unassigned Fund Balance	<u>1,800,969</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$3,883,460</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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>\$44,145,092</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u><u>\$44,145,092</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$43,901,674</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u><u>\$43,901,674</u></u>

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	2012	2011
Revenues:		
Federal Sources	\$ -	<u>17,723</u>
Total Revenues	<u>\$ -</u>	<u>17,723</u>
Expenditures:		
Instruction:		
General Supplies	\$ -	<u>17,723</u>
Total Instruction		<u>17,723</u>
Total Expenditures	<u>\$ -</u>	<u>17,723</u>

F. Capital Projects Fund

Not Applicable

G. Proprietary Funds

Enterprise Funds

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	2012	2011
Current Assets:						
Cash & Cash Equivalents			124,549		124,549	135,678
Security Deposit				10,245	10,245	10,245
Prepaid Expenses				200	200	
Interfund Receivable	\$131,951		50,000	340	182,291	181,952
Receivable:						
State	239				239	872
Federal	16,114				16,114	52,599
Other (Net)	2,034	1,846		2,272,909	2,276,789	2,033,997
Inventories	15,524	11,637	802		27,963	26,016
Total Current Assets	165,862	13,483	175,351	2,283,694	2,638,390	2,441,359
Fixed Assets:						
Equipment	315,368	8,101	1,527	382,416	707,412	698,934
Less: Accumulated Depreciation	(195,547)	(2,117)	(1,527)	(369,551)	(568,742)	(543,968)
Total Fixed Assets	119,821	5,984		12,865	138,670	154,966
Total Assets	285,683	19,467	175,351	2,296,559	2,777,060	2,596,325
LIABILITIES						
Current Liabilities:						
Cash Deficit	\$39,851	124		531,184	571,159	1,969,729
Accounts Payable				37,039	37,039	119,193
Interfund Payables		8,152			8,152	8,152
Deferred Revenue				42,535	42,535	56,300
Total Liabilities	39,851	8,276		610,758	658,885	2,153,374
NET ASSETS						
Unrestricted	126,011	5,207	175,351	1,672,936	1,979,505	287,985
Investment in Capital Assets Net of Related Debt	119,821	5,984		12,865	138,670	154,966
Total Net Assets	\$245,832	11,191	175,351	1,685,801	2,118,175	442,951

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	2012	2011
Operating Revenues:						
Local Sources:						
Daily Sales - Reimbursable Programs:						
School Lunch & Breakfast Programs	\$83,123				83,123	85,883
Daily Sales - Nonreimbursable Programs	72,364	75,784			148,148	158,597
Special Functions	115,306	6,229			121,535	151,142
Fees for Services				14,421,452	14,421,452	13,603,528
Other Revenue	34,981	134			35,115	664,790
Sale of Merchandise			16,410		16,410	16,735
Total Operating Revenue	305,774	82,147	16,410	14,421,452	14,825,783	14,680,675
Operating Expenses:						
Salaries & Wages	503,701			8,469,860	8,973,561	9,876,063
Purchased Professional Services	118,271			390,539	508,810	527,536
Telephone/Communication/Postage				16,565	16,565	14,849
Purchased Services - Transportation				5,092,001	5,092,001	5,463,123
Repairs	25,758			6,143	31,901	34,552
Supplies & Materials	40,877			41,682	82,559	154,065
Travel				16,905	16,905	16,561
Training & Seminars				10,749	10,749	27,339
Other Objects				166,680	166,680	116,780
Depreciation	11,434	427		10,479	22,340	37,436
Miscellaneous Expenditures	33,012			32,256	65,268	85,374
Cost of Sales	304,228	75,385	3,091		382,704	478,275
Total Operating Expenses	1,037,281	75,812	3,091	14,253,859	15,370,043	16,831,953
Operating Gain\ (Loss)	(731,507)	6,335	13,319	167,593	(544,260)	(2,151,278)
Nonoperating Revenues:						
State Sources:						
State School Lunch Program	4,654				4,654	4,061
Extended School Nutrition Program	313				313	282
Federal Source:						
School Breakfast Program	99,548				99,548	93,903
National School Lunch Program	193,325				193,325	168,799
Extended School Nutrition Program	19,123				19,123	18,058
Food Distribution Program	22,326				22,326	28,299
Other Sources:						
BCIP Inclusion Project				58,616	58,616	66,579
Crisis Response				18,150	18,150	17,100
Interest Income	29	3	55	274	361	7,271
Operating Transfer In/(Out) General						
Fund Board Contribution - Salaries	355,856			1,441,168	1,797,024	2,896,330
Due From General Fund						7,000
Contributed Capital		6,411			6,411	
Loss on Adjustment to Fixed Assets	(367)				(367)	
Total Nonoperating Revenues/Expenses	694,807	6,414	55	1,518,208	2,219,484	3,307,682
Changes in Net Assets	(36,700)	12,749	13,374	1,685,801	1,675,224	1,156,404
Total Net Assets-Beginning	282,532	(1,558)	161,977		442,951	(713,453)
Total Net Assets-Ending	\$245,832	11,191	175,351	1,685,801	2,118,175	442,951

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	2012	2011
Cash Flows From Operating Activities:						
Receipts from Customers	\$334,674	83,810	16,410	14,133,993	14,568,887	15,262,963
Payments to Employees	(503,701)			(8,469,860)	(8,973,561)	(9,876,063)
Payments to Suppliers	(628,594)	(80,051)	(2,116)	(5,747,682)	(6,458,443)	(6,806,592)
Net Cash Provided/(Used) by Operating Activities	(797,621)	3,759	14,294	(83,549)	(863,117)	(1,419,692)
Cash Flows From Noncapital Financing Activities:						
State Sources	5,600				5,600	4,895
Federal Sources	370,807				370,807	285,076
Other Sources				76,766	76,766	83,679
Operating Subsidies & Transfers to Other Funds	355,856			1,441,168	1,797,024	2,903,330
Net Cash Provided/(Used) by Noncapital Financing Activities	732,263			1,517,934	2,250,197	3,276,980
Cash Flows From Investing Activities:						
Interest & Dividends	29	3	55	274	361	7,271
Net Cash Provided/(Used) by Investing Activities	29	3	55	274	361	7,271
Net Increase/(Decrease) in Cash & Cash Equivalents	(65,329)	3,762	14,349	1,434,659	1,387,441	1,864,559
Balances - Beginning of Year	25,478	(3,886)	110,200	(1,965,843)	(1,834,051)	(3,698,610)
Balances - End of Year	(\$39,851)	(124)	124,549	(531,184)	(446,610)	(1,834,051)

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

Operating Income/(Loss)	(\$731,507)	6,335	13,319	167,593	(544,260)	(2,151,278)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:						
Depreciation & Net Amortization	11,434	427		10,479	22,340	37,436
(Increase)/Decrease in Accounts Receivable, Net	28,900	1,663		(273,694)	(243,131)	525,988
(Increase)/Decrease in Inventories	1,744	(4,666)	975		(1,947)	(6,870)
Increase/(Decrease) in Deferred Revenue				(13,765)	(13,765)	56,300
(Increase)/Decrease in Prepaid Expenses				(200)	(200)	
Increase/(Decrease) in Accounts Payable	(108,192)			26,038	(82,154)	118,732
Total Adjustments	(66,114)	(2,576)	975	(251,142)	(318,857)	731,586
Net Cash Provided/(Used) by Operating Activities	(\$797,621)	3,759	14,294	(83,549)	(863,117)	(1,419,692)

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE		AGENCY		2012	2011
	TRUST FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$96,306	6,106	288,092	483,848	874,352	577,309
Interfund Accounts Receivable General Fund			125,000		125,000	350,000
Total Assets	96,306	6,106	413,092	483,848	999,352	927,309
LIABILITIES						
Payroll Deductions & Withholdings				320,142	320,142	232,377
Interfund Accounts Payable: General Fund				163,706	163,706	211,647
Due to Student Groups			413,092		413,092	412,510
Total Liabilities			413,092	483,848	896,940	856,534
NET ASSETS						
Reserved for Unemployment Claims		6,106			6,106	6,103
Reserved for Students	96,306				96,306	64,672
Total Net Assets	\$96,306	6,106		-	102,412	70,775

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

OPERATING REVENUES:	PRIVATE PURPOSE		2011	2010
	DONATION TRUST	UNEMPLOYMENT TRUST		
Local Sources:				
Donations	\$31,600		31,600	4,649
Total Operating Revenues	31,600		31,600	4,649
Operating Income/(Loss)	31,600		31,600	4,649
Nonoperating Revenue (Expenses):				
Interest Income	34	3	37	506
Transfers Out				(700,000)
Net Income/(Loss)	31,634	3	31,637	(694,845)
Net Assets, July 1	64,672	6,103	70,775	765,620
Net Assets, June 30	\$96,306	6,106	102,412	70,775

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

	BALANCE JUNE 30, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Athletic Events	\$25,272	1,284	1,706	24,850
South Campus	81,889	23,610	17,878	87,621
Vocational		1,000	993	7
High School	50,523	15,347	15,427	50,443
East Campus	63,449	2,605	5,072	60,982
Superstars Marching Band	28,341	1,743	1,750	28,334
Library	5,537			5,537
Lumberton Campus	8,821	10,470	7,952	11,339
Junior/Senior High School	32,438	3,063	6,582	28,919
Helping Hand	103,907			103,907
Yearbook	10,572	5,405	6,660	9,317
Interest	1,761	75		1,836
Total	\$412,510	64,602	64,020	413,092

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$444,024	38,078,499	38,038,675	483,848
Total Assets	<u>\$444,024</u>	<u>38,078,499</u>	<u>38,038,675</u>	<u>483,848</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$232,377	38,078,499	37,990,734	320,142
Interfund Accounts Payable:				
General Fund	211,647		47,941	163,706
Total Liabilities	<u>\$444,024</u>	<u>38,078,499</u>	<u>38,038,675</u>	<u>483,848</u>

I. Long-Term Debt

Not Applicable

STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$1,946,535	1,918,911	2,114,430	1,994,904	1,988,661	2,173,928	2,085,530	1,647,751	1,658,747	1,751,150
Restricted	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785	1,022,704	500,586	531	531
Unrestricted	558,675	2,437,068	2,989,180	1,706,833	3,404,334	1,997,447	3,034,953	2,760,812	1,033,716	(557,933)
Total Governmental Activities										
Net Assets	\$4,587,701	6,160,850	6,494,117	5,084,348	6,762,780	5,541,160	6,143,187	4,909,149	2,692,994	1,193,748
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$138,670	154,966	192,402	239,426	176,599	153,018	191,208	107,186	118,941	175,078
Unrestricted	1,979,505	287,985	(905,855)	2,602,866	4,804,777	6,066,848	4,538,214	3,368,126	2,725,538	2,284,883
Total Business-Type Activities										
Net Assets	\$2,118,175	442,951	(713,453)	2,842,292	4,981,376	6,219,866	4,729,422	3,475,312	2,844,479	2,459,961
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$2,085,205	2,073,877	2,306,832	2,234,330	2,165,260	2,326,946	2,276,738	1,754,937	1,777,688	1,926,228
Restricted	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785	1,022,704	500,586	531	531
Unrestricted	2,538,180	2,725,053	2,083,325	4,309,699	8,209,111	8,064,295	7,573,167	6,128,938	3,759,254	1,726,950
Total District Net Assets	\$6,705,876	6,603,801	5,780,664	7,926,640	11,744,156	11,761,026	10,872,609	8,384,461	5,537,473	3,653,709

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities:										
Instruction:										
Special Education	\$17,293,675	\$17,463,812	20,624,676	20,725,888	20,870,679	19,989,078	18,807,380	18,720,015	16,236,732	12,557,469
Other Special Instruction	109,532	128,022	113,073	86,347	93,336	86,252	101,771	59,081	47,385	60,045
Other Special Instruction				19,245	32,436	15,195	14,640			
Support Services:										
Student & Instruction Related										
Services	4,860,196	4,768,340	891,235	766,603	761,648	825,173	789,265	782,682	968,854	3,673,410
School Administrative Services	652,508	644,362	968,279	684,626	871,142	758,816	636,670	736,531	698,586	726,437
General & Business Administrative										
Services	2,488,553	2,125,766	2,008,678	2,232,537	2,278,354	2,183,376	2,013,979	1,787,422	1,417,015	1,424,143
Plant Operations & Maintenance	3,002,177	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205	2,673,892	2,394,632	2,158,418
Pupil Transportation	150,239			1,163,065	887,618	765,317	635,865	469,592	418,169	329,109
Unallocated Benefits	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345	9,055,376	7,730,539	6,233,494
Unallocated Compensated Absences	47,167	43,381	(827,143)	125,502	44,222	96,193	36,754	(14,198)	185,779	328,193
Unallocated Contributed Capital	(67,328)		(39,928)		17,548					
Unallocated Depreciation	215,000	205,000	209,070	246,312	167,719	100,124	169,499	158,171	359,863	357,443
Adjustment to Fixed Assets	(172,641)									
Transfer to Capital Reserve					43,381	250,000	1,458,016	283,726		
Special Schools			12,096	16,344	17,294	17,311	62,801	68,068	86,887	94,671
Total Governmental Activities Expense	43,921,217	44,133,832	40,470,322	42,241,793	41,634,597	40,553,630	38,811,190	34,780,358	30,544,441	27,942,832
Business-Type Activities:										
Food Service	1,113,093	1,169,276	1,423,397	1,560,527	1,490,230	1,497,491	1,445,534	1,325,307	1,450,450	1,299,057
School Store	3,091	1,374	2,691	3,357	6,140	5,051	2,210	7,844	13,510	10,943
Educational Services	14,253,859	15,661,303	18,078,793	18,633,356	16,829,518	12,863,952	12,078,868	11,966,212	11,532,700	10,913,861
Total Business-Type Activities Expense	15,370,043	16,831,953	19,504,881	20,197,240	18,325,888	14,366,494	13,526,612	13,299,363	12,996,660	12,223,861
Total District Expenses	\$59,291,260	60,965,785	59,975,203	62,439,033	59,960,485	54,920,124	52,337,802	48,079,721	43,541,101	40,166,693

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$3,383,122	2,860,416	2,786,420	2,669,233	3,135,815	2,924,511	1,706,135	1,452,638	1,268,022	1,223,223
Total Governmental Activities										
Program Revenues	3,383,122	2,860,416	2,786,420	2,669,233	3,135,815	2,924,511	1,706,135	1,452,638	1,268,022	1,223,223
Business-Type Activities:										
Charges for Services:										
Food Service	387,921	396,391	423,346	519,998	500,786	425,968	451,592	436,655	446,609	558,385
School Store	16,410	16,735	17,835	18,066	23,160	14,920	9,371	11,009	10,023	12,478
Educational Services	14,421,452	14,267,549	14,354,634	16,222,780	15,242,618	14,135,389	13,168,775	12,489,294	11,917,922	11,468,501
Operating Grants & Contributions	422,466	397,081	450,987	418,543	446,065	434,534	427,097	396,966	473,324	402,460
Total Business Type Activities										
Program Revenues	15,248,249	15,077,756	15,246,802	17,179,387	16,212,629	15,010,811	14,056,835	13,333,924	12,847,878	12,441,824
Total District Program Revenues	\$18,631,371	17,938,172	18,033,222	19,848,620	19,348,444	17,935,322	15,762,970	14,786,562	14,115,900	13,665,047
Net (Expense)/Revenue:										
Governmental Activities	(\$40,538,095)	(41,273,416)	(37,683,902)	(39,572,560)	(38,498,782)	(37,629,119)	(37,105,055)	(33,327,720)	(29,276,419)	(26,719,609)
Business-Type Activities	(121,794)	(1,754,197)	(4,258,079)	(3,017,853)	(2,113,259)	644,317	530,223	34,561	(148,782)	217,963
Total District-Wide Net Expense	(\$40,659,889)	(43,027,613)	(41,941,981)	(42,590,413)	(40,612,041)	(36,984,802)	(36,574,832)	(33,293,159)	(29,425,201)	(26,501,646)

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
County Appropriation	\$4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,100,000	4,100,000	4,100,000	1,875,000
Federal & State Aid Not Restricted	44,493	199,655	256,188	124,165	2,652,011	4,991,905	3,801,273	2,812,760	2,792,721	2,285,392
Tuition Received	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522	25,410,145	22,729,234	21,467,289
Tuition Charges	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948	2,510,330		
Non Resident Fees	311,263	315,289	404,024	173,771	201,039	156,099	165,415	194,710	370,067	230,766
Miscellaneous Income	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955	1,619,144	1,169,040	980,151	839,780
Capital Reserve					43,381	250,000	500,000			
Transfers	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)	(545,933)	(518,201)	(88,123)
Prior Year Accounts Receivable Cancelled								(265,389)		
Prior Year Accounts Payable Cancelled								11,037	54,233	
Contributed Capital				252,555		188,522	607,278	147,175	267,460	
Total Governmental Activities	38,964,946	40,940,149	39,093,671	37,894,128	38,093,732	38,653,762	38,339,093	35,543,875	30,775,665	26,610,104
Business-Type Activities:										
Investment Earnings	361	14,271	7,078	91,390	174,460	212,810	119,400	50,339	15,099	14,444
Contributed Capital	(367)			90,621	38,122					
Transfers	1,797,024	2,896,330	695,256	696,758	662,187	633,317	604,487	545,933	518,201	88,123
Total Business-Type Activities	1,797,018	2,910,601	702,334	878,769	874,769	846,127	723,887	596,272	533,300	102,567
Total District-Wide	\$40,761,964	43,850,750	39,796,005	38,772,897	38,968,501	39,499,889	39,062,980	36,140,147	31,308,965	26,712,671
Change in Net Assets:										
Governmental Activities	(\$1,573,149)	(333,267)	1,409,769	(1,678,432)	(405,050)	1,024,643	1,234,038	2,216,155	1,499,246	(109,505)
Business-Type Activities	1,675,224	1,156,404	(3,555,745)	(2,139,084)	(1,238,490)	1,490,444	1,254,110	630,833	384,518	320,530
Total District	\$102,075	823,137	(2,145,976)	(3,817,516)	(1,643,540)	2,515,087	2,488,148	2,846,988	1,883,764	211,025

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,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Restricted	\$1,501,971	1,501,270	1,390,507	1,382,611	1,369,785	2,996,455	2,070,300	500,586	531	531
Assigned	580,520	303,601								
Unassigned	1,800,969	3,632,195	4,140,926	3,685,722	5,257,721	3,806,612	3,700,329	4,437,030	2,724,132	946,704
Total General Fund	\$3,883,460	5,437,066	5,531,433	5,068,333	6,627,506	6,803,067	5,770,629	4,937,616	2,724,663	947,235

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
County Appropriation	\$4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,100,000	4,100,000	4,100,000	1,875,000
Tuition Charges	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522	25,410,145	22,729,234	21,467,289
Other Tuition	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948	2,510,330		
Nonresident Fees	311,263	315,289	404,024	173,771	201,039	156,099	165,415	194,710	370,067	230,766
Miscellaneous	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955	1,619,144	1,169,040	980,151	839,780
State Sources	3,385,530	2,860,416	2,786,420	2,659,992	5,541,630	7,551,688	5,437,733	4,216,824	3,962,643	3,258,123
Federal Sources	42,085	199,655	256,188	133,406	246,196	364,728	69,675	48,574	98,100	250,492
Total Revenues	44,145,092	45,996,895	42,575,347	41,007,564	41,848,353	41,773,068	39,542,437	37,649,623	32,240,195	27,921,450
Expenditures:										
Current:										
Special Education Instruction	17,293,675	17,463,812	20,624,676	20,725,888	20,870,679	19,989,078	18,807,380	18,720,015	16,236,732	12,557,469
Other Special Instruction	109,532	128,022	113,073	86,347	93,336	86,252	101,771	59,081	47,385	60,045
Other Instructional Programs				19,245	32,436	15,195	14,640			
Support Services & Undistributed Costs:										
Student & Instruction Related										
Services	4,860,196	4,768,340	891,235	766,603	761,648	825,173	789,265	782,682	968,854	3,673,410
School Administrative Services	652,508	644,362	968,279	684,626	871,142	758,816	636,670	736,531	698,586	726,437
Other Administrative Services	2,188,553	2,125,766	2,297,346	2,232,537	2,278,354	2,183,376	2,013,979	1,787,422	1,417,015	1,424,143
Plant Operations & Maintenance	3,004,832	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205	2,673,892	2,394,632	2,158,418
Pupil Transportation	150,239			1,163,065	887,618	765,317	635,865	469,592	418,169	329,109
Unallocated Benefits	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345	9,055,376	7,730,539	6,233,494
Special Schools			12,096	16,344	17,294	17,311	62,801	68,068	86,887	94,671
Capital Outlay	300,000	9,481			43,381	250,000	1,458,016	283,726		17,207
Total Expenditures	43,901,674	43,894,932	41,416,991	41,869,979	41,405,108	40,357,313	38,604,937	34,636,385	29,998,799	27,274,403

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Excess (Deficiency) of Revenues Over/(Under) Expenditures	243,418	2,101,963	1,158,356	(862,415)	443,245	1,415,755	937,500	3,013,238	2,241,396	647,047
Other Financing Sources/(Uses):										
Prior Year Accounts Payable Cancelled\ (Added)								11,037	54,233	
Prior Years Accounts Receivable Cancelled								(265,389)		
Increase in Capital Reserve					43,381	250,000	500,000			
Transfers In										255,372
Transfers Out	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)	(545,933)	(518,201)	(343,495)
Total Other Financing Sources/(Uses)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(618,806)	(383,317)	(104,487)	(800,285)	(463,968)	(88,123)
Net Change in Fund Balances	(\$1,553,606)	(94,367)	463,100	(1,559,173)	(175,561)	1,032,438	833,013	2,212,953	1,777,428	558,924
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
2012	\$35,430,674	5,286,782	3,385,530	42,085	44,145,071
2011	37,561,764	5,375,060	2,860,416	181,932	45,979,172
2010	33,877,381	5,655,358	2,786,420	256,188	42,575,347
2009	30,587,149	7,617,776	2,659,992	133,406	40,998,323
2008	28,820,570	7,224,613	5,538,902	219,036	41,803,121
2007	27,049,598	6,792,489	7,549,738	339,033	41,730,858
2006	28,150,470	5,864,187	5,433,733	45,171	39,493,561
2005	27,920,475	5,463,750	4,216,824	48,574	37,649,623
2004	22,729,234	5,450,218	3,962,643	98,100	32,240,195
2003	21,467,289	2,945,546	3,258,123	250,492	27,921,450

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

Source: District Records.

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

N/A

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

N/A

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

N/A

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

EXHIBIT J-9

N/A

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

EXHIBIT J-10

N/A

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

EXHIBIT J-11

N/A

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011**

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)
2011	449,576	N/A	8.8%
2010	448,734	N/A	9.0%
2009	446,108	46,516	8.5%
2008	445,492	46,968	5.0%
2007	446,314	45,463	3.8%
2006	447,131	43,551	4.1%
2005	446,462	40,795	3.7%
2004	446,041	39,606	4.1%
2003	442,581	37,982	4.2%
2002	436,318	37,299	4.6%

Source: New Jersey Department of Education

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

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

**PRINCIPAL EMPLOYERS
CURRENT YEAR**

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

Source: Burlington County

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

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Special Education	378	376	395	411	434	433	432	444	439	410
Support Services:										
Student & Instruction Related Services	64	62	63	63	62	56	59	57	60	53
School Administrative Services	14	14	16	15	17	16	14	13	13	13
General & Business Administrative Services	11	11	11	3	3	3	3	3	3	3
Plant Operations & Maintenance	24	23	23	21	23	24	24	24	23	22
Pupil Transportation	3			7	7	1	1	1	1	1
Business & Other Support Services	3	3	3	10	10	10	10	10	10	11
Food Service	12	12	19	22	21	21	19	18	18	16
Total	509	501	530	552	577	564	562	570	567	529

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
2012	793	\$43,601,674	54,983	3.09%	127	6.2/1	775.4	691.1	-6.21%	-6.19%
2011	823	43,894,932	53,335	12.55%	132	6.3/1	826.7	736.7	-5.39%	5.09%
2010	874	41,416,991	47,388	8.20%	137	6.2/1	873.8	776.2	-6.71%	-6.12%
2009	956	41,869,979	43,797	11.29%	138	6.9/1	936.6	826.8	-8.72%	-10.23%
2008	1,051	41,361,727	39,355	7.45%	156	6.7/1	1,026.1	921.0	-5.65%	-5.11%
2007	1,095	40,107,313	36,628	12.01%	163	6.7/1	1,087.6	970.6	-3.26%	-2.28%
2006	1,136	37,146,921	32,700	10.89%	162	7/1	1,124.3	993.2	-3.47%	-2.75%
2005	1,165	34,352,659	29,487	20.12%	166	7/1	1,164.7	1,021.3	-4.71%	-4.32%
2004	1,222	29,998,799	24,549	10.69%	175	7/1	1,222.3	1,067.4	-0.56%	-1.24%
2003	1,229	27,257,196	22,178	9.50%	212	5.8/1	1,229.2	1,080.8	-2.30%	-2.38%

Sources: District records

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

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DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
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	521	563	629	691	729	720	743	754	770
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	140	169	172	102	100	118	121	165	185	205
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	134	140	139	126	125	117	123	167	176	179

Number of Schools at June 30, 2012:

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
2012	\$35,682	572,956	232,006	840,644
2011	77,009	435,728	204,646	717,383
2010	83,532	454,475	207,552	745,559
2009	94,681	480,791	152,847	728,319
2008	82,641	471,046	272,711	826,398
2007	83,475	475,809	275,468	834,752
2006	71,723	408,821	236,684	717,228
2005	73,691	414,689	234,075	722,455
2004	64,759	365,521	206,331	636,611
2003	60,162	281,024	111,098	452,284
Total School Facilities	<u>\$727,355</u>	<u>4,360,860</u>	<u>2,133,418</u>	<u>7,221,633</u>

Source: District records

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012**

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

Source: School District Records

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

EXHIBIT K-1

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

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

We have audited the financial statements 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, 2012, and have issued our report thereon dated August 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Burlington County Special Services School District is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the Burlington County Special Services School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

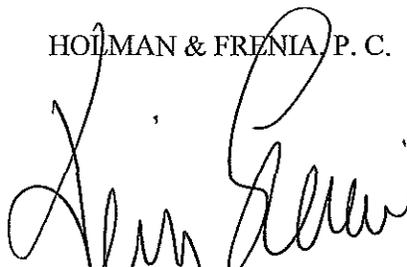
Compliance and Other Matters

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'Kevin P. Frenia', is written over the printed name and title.

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

Medford, New Jersey
August 3, 2012



Certified Public Accountants & Consultants

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

Compliance

We have audited the compliance of the Board of Education of the Burlington County Special Services School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect to each of its major state programs for the fiscal year ended June 30, 2012. The Board of Education of the 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Board of Education of the Burlington County Special Services School District's management. Our responsibility is to express an opinion on Board of Education of the Burlington County Special Services School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the 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. Our audit does not provide a legal determination on the Board of Education of the Burlington County Special Services School District's compliance with those requirements.

In our opinion, the Board of Education of the Burlington County Special Services School District, County of Burlington, State of New Jersey, complied, in all material respects, with the requirements

referred to above that are applicable to each of its major state programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education of the Burlington County Special Services School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Burlington County Special Services School District's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

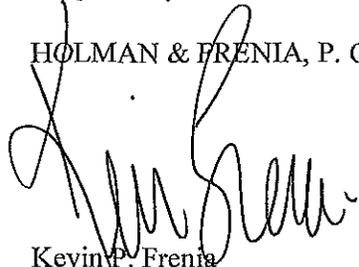
A deficiency in a District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
August 3, 2012

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS	MEMO	CUMULATIVE TOTAL
							RECEIVABLE) AT JUNE 30, 2012	BUDGETARY RECEIVABLE	
State Department of Education:									
General Fund:									
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	11-495-034-5095-002	\$1,484,592	7/1/10-6/30/11	(\$73,040)	73,040				
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	12-495-034-5095-002	1,457,643	7/1/11-6/30/12		1,385,611	(1,457,643)	(72,032)		1,457,643
Reimbursed TPAF Pension Contributions (Nonbudgeted)	12-495-034-5095-006	1,925,479	7/1/11-6/30/12		1,925,479	(1,925,479)			1,925,479
Anti-Bullying Grant	N/A	2,408	7/1/11-6/30/12		2,408	(2,408)			2,408
Enterprise Funds:									
Food Service Fund:									
National School Lunch Program (State Share)	12-100-010-3350-023	4,654	7/1/11-6/30/12		4,415	(4,654)	(239)		4,654
National School Lunch Program (State Share)	11-100-010-3350-023	4,061	7/1/10-6/30/11	(872)	872				
Summer Food Service Program for Children	N/A	313	7/1/11-6/30/12		313	(313)			313
Total State Department of Education				(73,912)	3,392,138	(3,390,497)	(72,271)		3,390,497
Total State Financial Assistance				(\$73,912)	3,392,138	(3,390,497)	(72,271)	-	3,390,497

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012**

Note 1. General

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

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2012**

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

	State
General Fund	\$3,385,530
Proprietary Funds	<u>4,967</u>
Total Financial Assistance	<u>\$3,390,497</u>

Note 4. Relationship to State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related 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, 2012. 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, 2012.

Note 6. Federal and State Loans Outstanding

The Burlington County Special Services School District had no loan balances outstanding at June 30, 2012.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results

Financial Statements

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	No
Type of auditor’s report issued on compliance for major programs:	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness (es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5095-002	TPAF Social Security Contributions

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section II – Financial Statement Findings

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

No Current Year Findings

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

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

No Current Year Findings

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2012**

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

Finding 2010-01:

Condition:

No attempt was made to analyze the payroll agency account.

Current Status:

This condition has been corrected by the District.

Finding 2010-02:

Condition:

The District's Educational Services Unit enterprise fund ended the fiscal year with negative fund balance.

Current Status:

This condition has been corrected by the District.

Finding 2010-03:

Condition:

The Treasurer's cash reconciliations did not agree to the District's general ledgers.

Current Status:

This condition has been corrected by the District.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended June 30, 2012**

Finding 2011-02:

Condition:

The District's Human Services Facility Food Service enterprise fund ended the fiscal year with a deficit fund balance.

Current Status:

This condition has been corrected by the District.

Finding 2011-03:

Condition:

The Treasurer's cash reconciliations did not agree to the District's financial records due to a software error in the District's general ledger accounting system.

Current Status:

This condition has been corrected by the District.

Finding 2011-04:

Condition:

The District's food service management company was unable to provide a year to date financial statement that agreed to cash receipts and disbursements reported in the District's food service bank account during the 2011 school year.

Current Status:

This condition has been corrected by the District.