

# **Comprehensive Annual Financial Report**

**of the**

**Gloucester County  
Special Services School District**

**Sewell, New Jersey**

**For The Fiscal Year Ended  
June 30, 2012**

**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
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## INTRODUCTORY SECTION



## GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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856-468-6530 · FAX 856-468-1426

December 3, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester County Special Services School District (District), a component unit of the County of Gloucester, New Jersey, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section is presented in accordance with Governmental Accounting Standards Board Statement No. 34 and includes the Report of Independent Accountants, the Management and Discussion Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Government and Non-Profit Organizations", and the New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1) REPORTING ENTITY AND ITS SERVICES

Gloucester County Special Services School District, a component unit of the County of Gloucester, New Jersey, is a reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14.

The Gloucester County Special Services School District and all its programs/projects constitute the District's reporting entity. A list of services provided follows:

### A. Special Education Programs

Gloucester County Special Services School District offers a wide array of educational services to the families of Gloucester County. The District provides a full continuum of educational services to children with special needs from birth to age 21. Programs offered during the 2011-2012 school year are as follows:

#### 1. Multiple Disabilities

- Bankbridge Development Center – students ages 3 to 21
- Bankbridge Elementary School – students to grade 5
- Bankbridge Regional School – students grades 6 to 12

#### 2. Behavioral Disabilities

- Bankbridge Elementary School – students to grade 6
- Bankbridge Regional School – students grades 6 to 12

#### 3. Preschool Disabilities

- Bankbridge Development Center – full time
- Bankbridge Elementary School – full time
- Gloucester County Institute of Technology – full time
- Gloucester County College – full time

#### 4. Extended School Year

- Preschool Disabilities
- Behavior Disabilities
- Multiple Disabilities

## B. Other Cooperative Programs and Services

The District also provides a wide range of quality cooperative educational programs and administrative services to public school districts and their boards of education. They include:

1. Alternative High School – students grades 9 to 12
2. Special Revenue Programs
  - a. McKinney Education for Homeless Children
  - b. Migrant Disabilities Service Project
  - c. Migrant/McKinney Summer School Project
  - d. Migrant Programs-Title I – Supplemental Instruction; Intervention; Support Services
  - e. New Jersey Character Education Partnership Act
  - f. Nonpublic School Health Services – Chapter 226
  - g. Nonpublic Services – Chapter 192
    - Compensatory Education
    - English as a Second Language
    - Home Instruction
  - h. Nonpublic Services – Chapter 193
    - Child Study Team Evaluations
    - Speech Correction
    - Supplementary Instruction
  - i. School Based Youth Services Grant
3. Enterprise Programs
  - a. GCSSSD Center for Regional Educational Support Services (CRESS)
    1. Auxiliary Examination and Classification
    2. Auxiliary Home Instruction
    3. Auxiliary Social Work Services
    4. Auxiliary Speech Services
    5. Auxiliary Teacher Program
    6. Child Study Team Services
    7. Physical Therapy
    8. Psychological Services
    9. Educational Interpreter Services
    10. Substitute Nurse Clearinghouse
    11. Autism Services
    12. Therapeutic Recreation
  - b. Business
    1. Computer Services (Educational Management by Computer Center)
    2. Cooperative Transportation – Gloucester/Salem Counties
    3. Employee Assistance Program (EAP) – Administrative Support
    4. Food Service Program
    5. Nonpublic Textbooks/Administration
    6. Student Residency Investigation
    7. Therapeutic Recreation Program – County of Gloucester

- c. Special Projects
  - 1. Additional Remedial Services
  - 2. Auxiliary Examination and Classification
  - 3. Auxiliary Speech Services
  - 4. Goals for Youth
  - 5. Juvenile Detention Center – Supplemental Tutorial Services
  - 6. Together Shelter – Instructional Services
  - 7. Migrant Education
  
- d. Other Enterprises
  - 1. Gloucester County Safe Schools
  - 2. One-on-One Teacher Assistant Program
  - 3. Therapeutic Recreation Program – County of Gloucester
  - 4. Adult Center for Transition (ACT)

Special Education  
Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2011-2012	730.2	5.44%
2010-2011	692.5	-9.14%
2009-2010	762.2	1.40%
2008-2009	751.7	4.29%
2007-2008	720.8	12.73%
2006-2007	639.4	-1.68%
2005-2006	650.3	4.11%
2004-2005	624.6	3.70%
2003-2004	602.3	9.21%
2002-2003	551.5	9.93%
2001-2002	501.7	5.39%
2000-2001	476.4	87.50%
1999-2000	280.6	38.50%
1998-1999	202.6	29.38%
1997-1998	156.6	0.71%
1996-1997	155.5	-4.72%

## 2) MAJOR INITIATIVES

### A. Current Year Accomplishments

Recognized as a model school district, Gloucester County Special Services School District continues to provide educational opportunities and options to special needs students and their families in Gloucester County. Serving a growing number of special needs children from birth through age 21 years, Gloucester County Special Services School District seeks to meet their needs through a variety of programs delivered in our schools and the local school districts.

Gloucester County Special Services School District provides a full continuum of educational options to Gloucester County's Special Needs students and their families. Gloucester County Special Services School District is a hub for students, professionals and families, as it serves children from birth through 21 years in our schools and in the local school districts, while providing professional development opportunities and family support resources.

The Bankbridge Career Center continues to support students' transition needs by providing successful school-to-careers options, job coaches, and functional skills reinforcement.

Viewed as a model school district, Gloucester County Special Services School District maintains its commitment to provide the best possible opportunities for special need students in Gloucester County.

### B. District Goals for 2011-2012

- Maintain and enhance all current programs for both districts.
- Complete the Bankbridge Regional masonry block remediation.
- Reconfigure space at the Bankbridge Regional School, Bankbridge Development Center, Herbert Building (GCC) and the Gloucester County Vocational–Technical School to accommodate the Alternative High School, Medical Disabilities, and Youth One Stop programs.
- Explore cost-saving green initiatives to reduce utilities costs.
- Support the redesign of the Special Services programs, including the Adult Center for Transition and Therapeutic Recreation programs.
- Continue to evaluate the sustainability of the Alternative High School.
- Continue to maintain close supervision of fiscal operations and seek every opportunity to cut operating costs through attrition and shared services.
- Implement internal controls and procedures to address the impact of the Health and Benefits reform legislation on the Business Department.
- Realign staff positions, job titles, and salary ranges for all employees.
- Continue to participate in the shared services initiatives which help to advance the positions of the Gloucester County Educational campus.
- Continue to support the work of the teacher evaluation committee and prepare the District's evaluation tool to meet the new requirements.

- Review current labor trends and settlements to prepare for contract negotiations in the fall with all associations.
- Develop and implement a strategic social media and marketing plan, which will improve communication and community awareness.
- Celebrate the 20<sup>th</sup> anniversary of the Gloucester County Special Services School District.

### C. District Affiliations

Gloucester County College  
 Gloucester County Vocational-Technical School District  
 Abilities Center of Southern New Jersey  
 County Hospitals: Kennedy/Underwood  
 County Prosecutor/Sheriff  
 County Educational Roundtables  
 Rowan University

### **3) INTERNAL ACCOUNTING CONTROLS**

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

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

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

### **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 the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

## **5) ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

## **6) CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 4. 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.

## **7) RISK MANAGEMENT**

The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, worker's compensation, disability, and student insurance. During 2011-2012 insurance coverage of the Gloucester County Special Services School District was carried via the New Jersey School Boards Association Insurance Group, Western Surety and National Union Fire Insurance Company of Pittsburgh; all were administered by Hardenbergh Insurance Group.

## **8) OTHER INFORMATION**

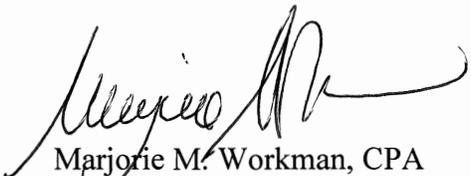
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company, LLP was selected by the Gloucester County Special Services Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## 9) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of The Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester and to the Gloucester County Board of Chosen Freeholders for 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 business office staff.

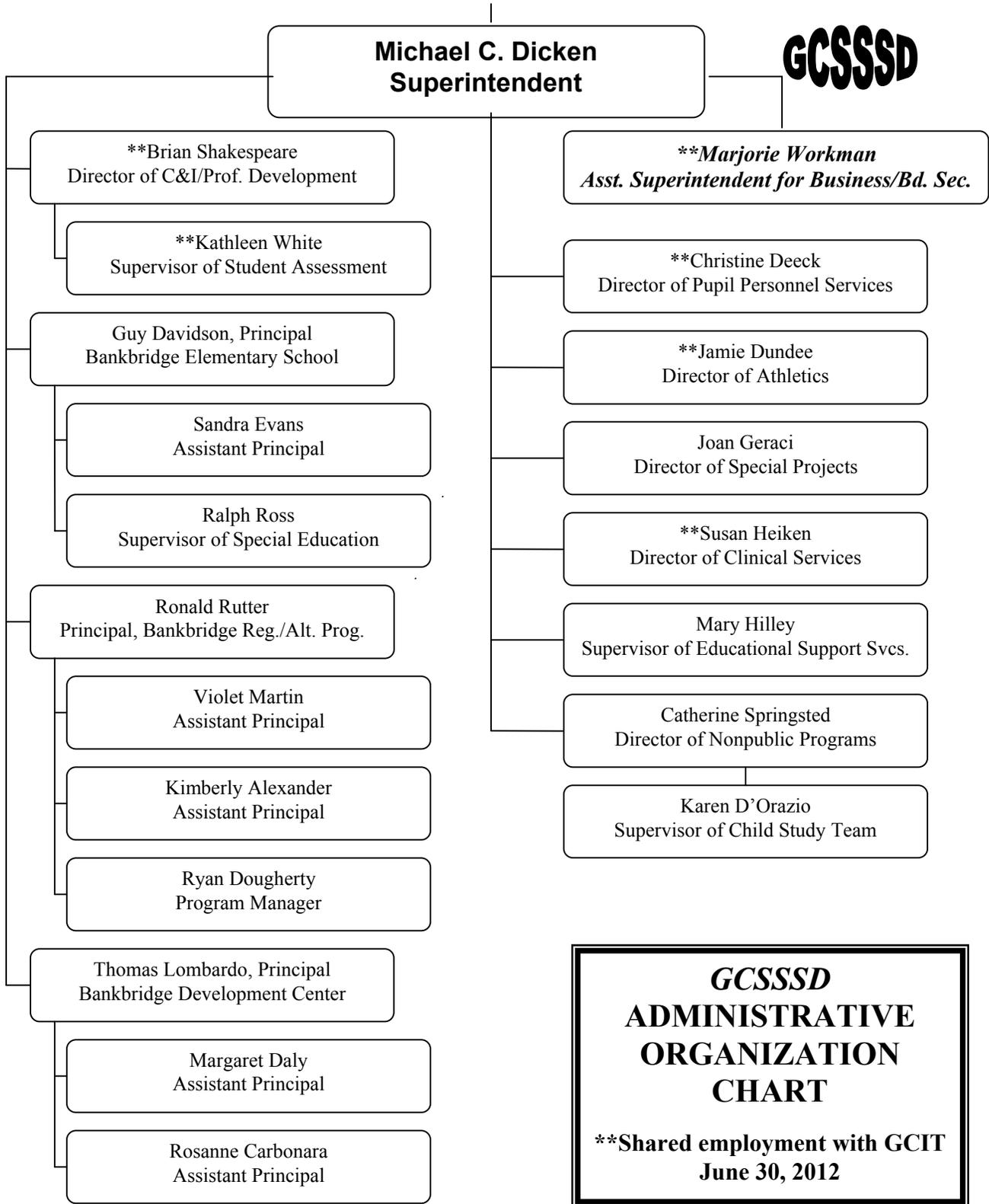
Respectfully submitted,

Michael C. Dicken  
Superintendent



Marjorie M. Workman, CPA  
Assistant Superintendent for Business/Board Secretary

**THE BOARD OF EDUCATION OF THE SPECIAL SERVICES SCHOOL DISTRICT AND  
THE VOCATIONAL SCHOOL DISTRICT OF THE COUNTY OF GLOUCESTER**



**BOARD OF EDUCATION  
GLOUCESTER COUNTY SPECIAL SCHOOLS SCHOOL DISTRICT  
SEWELL, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Marlene A. McConnell, President	6/30/2012
Robert P. Wooton, Vice President	6/30/2015
William C. Packer III (Appointed 3/5/12)	6/30/2013
Frank J. DiMarco (Appointed 3/5/12)	6/30/2013
Albert F. Frattali	6/30/2015
Leona Mather (Resigned 12/21/2011)	12/21/2011
Adam Taliaferro (Resigned 12/21/2011)	12/21/2011
Anthony W. Wilcox	6/30/2014
Robert Bumpus, Acting Executive County Superintendent	
<b><u>Other Officials</u></b>	
Michael Dicken, Superintendent	
Marjorie M. Workman, Assistant Superintendent for Business	
Lisa Finnegan, Comptroller	

**BOARD OF EDUCATION  
GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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Woodbury, New Jersey 08096

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**Board Solicitor**

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Westmont, New Jersey 08108

**Construction Attorney**

Bradley K. Sclar, Esq.  
Parker McCay  
Three Greentree Center  
7001 Lincoln Drive West  
P.O. Box 974  
Marlton, New Jersey 08053

**Official Depositories**

TD Bank  
1701 Route 70 East  
Cherry Hill, New Jersey 08034

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

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 Gloucester County Special Services School District, a component unit of the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Gloucester County Special Services School District'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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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 previously 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 Gloucester County Special Services School District in the County of Gloucester, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 December 3, 2012 on our consideration of the Gloucester County Special Services School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

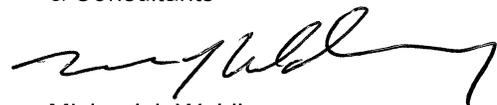
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester County Special Services School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester County Special Services School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,



BOWMAN & COMPANY LLP  
 Certified Public Accountants  
 & Consultants



Michael J. Welding  
 Certified Public Accountant  
 Public School Accountant No. CS 00886

Woodbury, New Jersey  
 December 3, 2012

**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**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester County Special Services School District, a component unit of the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 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 in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

Management of the Gloucester County Special Services School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Gloucester 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School 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 School District'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 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 previously.

**Compliance and Other Matters**

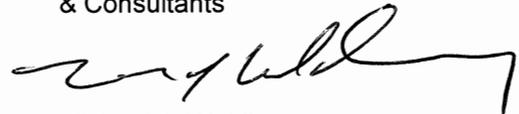
As part of obtaining reasonable assurance about whether the Gloucester County Special Services School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 Administration and Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, and federal and 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,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2012

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

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

The discussion and analysis of the Gloucester County Special Services School District's ("District") annual financial performance provides an overall review of the District's financial activities for the fiscal year that ended on June 30, 2012. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report ("CAFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standard's Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 fiscal year is as follows:

- The District's net assets increased by \$830,784, less than 2%, as a result of this year's operations. Net assets of our governmental activities increased \$308,530 and net assets of our business-type activities increased by \$522,253. The increase in net assets of governmental activities is the net result of general fund revenues supporting the District's programs exceeding the cost of operating those programs. The net assets of business-type activities increased primarily due to increased operating revenues of the enterprise funds.
- During the year, the District generated \$31,507,262 in revenues, which was \$1,625,723 more than 2010-2011 revenues. The 2011-2012 general and special revenue fund revenues were made up of tuition, other revenues and special items, and revenues exceeded expenditures for the related programs by \$1,185,301.
- In the District's business-type activities, operating revenues increased \$2,077,861 to \$25,073,264, approximately 9.0%, while operating expenses increased \$2,172,082, approximately 9.6%.

### USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can first understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

- The first two statements are *district-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on the District's most significant funds, reporting on the District's operations in *more detail* than the district-wide financial statements.
  - The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term, as well as what remains for future spending.
  - *Proprietary funds statements* offer short- and long-term financial information about the activities the district operates like a business.
  - *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

### **Reporting the School District as a Whole**

The Statement of Net Assets includes all of the District's assets and liabilities and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. All of the current year's revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. These statements report the District's *net assets* and how they have changed. Net assets are the difference between the District's assets and liabilities, and represent one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as alternative, special education, and shared services. Tuition and, to a lesser degree, the County tax levy, finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's enterprise funds are included here.

### **Reporting the District's Most Significant Funds**

The *fund financial statements* focus on the District's most significant funds, reporting on the District's operations in *more detail* than the district-wide financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can be converted to cash flow in and out, and the balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that are available for spending in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities.

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and student activity funds. The District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it may not use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Net Assets

The District's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements.

The District's net assets at fiscal year-end June 30, 2012 are \$48,094,528. This is an \$830,784 increase from last year's net assets of \$47,263,744. The following table provides a summary of the District's net assets:

#### Summary of Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	7,244,567	6,408,889	10,714,616	10,196,949	17,959,182	16,605,839
Capital assets	32,112,273	32,536,658	395,535	397,462	32,507,808	32,934,120
Total assets	<u>39,356,840</u>	<u>38,945,547</u>	<u>11,110,151</u>	<u>10,594,411</u>	<u>50,466,990</u>	<u>49,539,959</u>
Long-term liabilities	977,035	967,609			977,035	967,609
Other liabilities	1,330,151	1,236,815	65,276	71,790	1,395,427	1,308,605
Total liabilities	<u>2,307,186</u>	<u>2,204,424</u>	<u>65,276</u>	<u>71,790</u>	<u>2,372,463</u>	<u>2,276,214</u>
Net assets:						
Invested in capital assets,						
net of debt	32,112,273	32,536,658	395,535	397,462	32,507,808	32,934,120
Restricted	671,006	1,097,727			671,006	1,097,727
Unrestricted	4,266,374	3,106,738	10,649,339	10,125,159	14,915,713	13,231,897
Total net assets	<u><u>37,049,653</u></u>	<u><u>36,741,123</u></u>	<u><u>11,044,874</u></u>	<u><u>10,522,621</u></u>	<u><u>48,094,528</u></u>	<u><u>47,263,744</u></u>

The District reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$308,530 for governmental activities and increased \$522,253 for business-type activities.

The increase in net assets of governmental activities is the net result of general fund revenues supporting the District's programs exceeding the cost of operating those programs. The net assets of business-type activities increased primarily due to increased operating revenues of the enterprise funds.

## Changes in Net Assets

The following table provides a summary of the District's changes in net assets:

	<u>Summary of Changes in Net Assets</u>					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	1,597,280	1,675,055	25,009,397	22,930,035	26,606,677	24,605,090
Operating grants and contributions	4,515,354	4,027,270	215,475	277,764	4,730,828	4,305,034
General revenues:						
County tax levy	499,211	827,710	63,867	65,368	563,078	893,078
Tuition charges	26,120,570	24,312,628			26,120,570	24,312,628
Other	372,127	778,018	2,214	265,503	374,341	1,043,521
Total revenues	<u>33,104,542</u>	<u>31,620,681</u>	<u>25,290,952</u>	<u>23,538,670</u>	<u>58,395,494</u>	<u>55,159,351</u>
Expenses:						
Instruction	11,075,769	10,761,691			11,075,769	10,761,691
Support services	21,166,636	19,548,055			21,166,636	19,548,055
Unallocated depreciation	296,476	257,304			296,476	257,304
Food service			444,152	493,711	444,152	493,711
Other activities	257,131	2,593,435	24,324,548	22,361,304	24,581,679	24,954,739
Total expenses	<u>32,796,012</u>	<u>33,160,485</u>	<u>24,768,699</u>	<u>22,855,015</u>	<u>57,564,711</u>	<u>56,015,500</u>
Change in net assets	308,530	-1,539,806	522,253	683,655	830,783	-856,150
Beginning net assets	36,741,123	38,280,929	10,522,621	9,838,966	47,263,745	48,119,895
Ending net assets	<u>37,049,653</u>	<u>36,741,123</u>	<u>11,044,874</u>	<u>10,522,621</u>	<u>48,094,528</u>	<u>47,263,745</u>

## THE DISTRICT'S FUNDS

Governmental funds reported ending fund balances of \$5,886,539. Of this year-end total, \$2,136,731 is unassigned and \$3,749,808 is assigned, with \$630,372 of the assigned fund balance committed to liquidate encumbrances and \$2,491,445 designated for subsequent year's expenditures. Restricted fund balances total \$627,991, with \$126,991 available in the capital reserve account and \$501,000 available in the maintenance reserve account.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The revenue for the General Fund was greater than anticipated in the budget due to enrollment exceeding expectations. Reimbursements for pension and Social Security contributions of \$2,162,339 are non-budgeted items in both revenues and appropriations.

## CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2012, was \$32,112,273 and \$395,535 respectively. See Note 6 for additional information about changes in capital assets during the fiscal year.

### Capital Assets (Net of Depreciation) at June 30

	<u>2012</u>	<u>2011</u>
Governmental Activities		
Land	\$230,052	\$230,052
Construction In Progress	286,985	102,546
Land Improvements	2,624	2,870
Buildings and Building Improvements	29,996,629	30,679,523
Machinery and Equipment	1,595,983	1,521,668
Total	<u>\$32,112,273</u>	<u>\$32,536,658</u>
Business-type Activities		
Machinery & Equipment	<u>\$395,535</u>	<u>\$397,432</u>

## ECONOMIC CONDITION AND OUTLOOK

The Gloucester County Special Services School District is currently in sound financial condition. Area sending districts are experiencing significant the fiscal challenges, which threatens to reduce the number of Gloucester County students enrolled in the Bankbridge Schools. In response to this possibility, an articulation agreement was signed by the Board of Chosen Freeholders of both Gloucester and Camden Counties along with the Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester which will serve to encourage open enrollment from both counties in the Bankbridge Schools. The Board and administration continue to carry out the District's mission by providing programs and services that meet both the existing and emergent needs of students having moderate to severe disabilities.

Gloucester County Special Services School District provides a full continuum of educational options to special needs students and their families. Gloucester County Special Services School District is a hub for students, professionals and families, as it serves children from birth through 21 years in our schools and in the local school districts, while providing professional development opportunities and family support resources.

The Bankbridge Career Center continues to support students' transition needs by providing successful school-to-careers options, job coaches, and functional skills reinforcement. In addition to the Bankbridge Career Center, our Special Projects Programs, Center for Regional Educational Support Services (CRESS), Early Intervention, and other enterprise programs continue to flourish while providing much needed support to local area schools.

With the support and direction of the Board of Chosen Freeholders and the Board of Education, our school district continues to move forward. Viewed as a model school district, Gloucester County Special Services School District provides educational opportunities to special needs students in this region through a wide range of programs and services. This school district is committed to providing a full continuum of education services to meet the needs of students and local school districts in this area.

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

This financial report is designed to provide New Jersey citizens and taxpayers and our customers with a general overview of the District's finances and to demonstrate the District's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, contact the District Office, 1340 Tanyard Road, Sewell, NJ 08080.

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**Gloucester County Special Services School District**  
Statement of Net Assets  
June 30, 2012

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,217,922.28	\$ 7,071,351.71	\$ 12,289,273.99
Receivables, net	1,398,653.27	3,638,925.51	5,037,578.78
Inventory		4,338.35	4,338.35
Restricted Assets:			
Capital Reserve Account - Cash	126,991.00		126,991.00
Maintenance Reserve Account - Cash	501,000.00		501,000.00
Capital Assets, net	<u>32,112,273.04</u>	<u>395,535.05</u>	<u>32,507,808.09</u>
<b>Total Assets</b>	<u>39,356,839.59</u>	<u>11,110,150.62</u>	<u>50,466,990.21</u>
<b>LIABILITIES:</b>			
Cash Overdraft	809,115.34		809,115.34
Accounts Payable	381,568.11	62,876.45	444,444.56
Payable to Other Governments	36,534.13	-	36,534.13
Deferred Revenue	87,794.99	2,400.00	90,194.99
Noncurrent Liabilities:			
Due within One Year	15,138.28		15,138.28
Due beyond One Year	<u>977,035.34</u>		<u>977,035.34</u>
<b>Total Liabilities</b>	<u>2,307,186.19</u>	<u>65,276.45</u>	<u>2,372,462.64</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	32,112,273.04	395,535.05	32,507,808.09
Restricted for:			
Capital Projects	43,015.23		43,015.23
Other Purposes	627,991.00		627,991.00
Unrestricted	<u>4,266,374.13</u>	<u>10,649,339.12</u>	<u>14,915,713.25</u>
<b>Total Net Assets</b>	<u>\$ 37,049,653.40</u>	<u>\$ 11,044,874.17</u>	<u>\$ 48,094,527.57</u>

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

**Gloucester County Special Services School District**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Special Education	\$ 10,685,256.15		\$ 655,180.48		\$ (10,030,075.67)		\$ (10,030,075.67)
Other Special Instruction	390,512.81				(390,512.81)		(390,512.81)
Support Services:							
Student and Instruction Related Services	6,026,861.76		1,697,833.99		(4,329,027.77)		(4,329,027.77)
General Administration	373,732.21				(373,732.21)		(373,732.21)
School Administration	1,218,822.26				(1,218,822.26)		(1,218,822.26)
Central Services	1,775,475.03	\$ 1,597,280.07			(178,194.96)		(178,194.96)
Plant Operations and Maintenance	2,938,633.91				(2,938,633.91)		(2,938,633.91)
Pupil Transportation	43,401.62				(43,401.62)		(43,401.62)
Unallocated Benefits	6,145,083.82				(6,145,083.82)		(6,145,083.82)
On-Behalf Pension Contributions	1,199,881.00		1,199,881.00				
Reimbursed TPAF Social Security Contributions	962,458.08		962,458.08				
Capital Outlay	482,286.45				(482,286.45)		(482,286.45)
Unallocated Depreciation	296,475.64				(296,475.64)		(296,475.64)
<b>Total Governmental Activities</b>	<b>32,538,880.74</b>	<b>1,597,280.07</b>	<b>4,515,353.55</b>		<b>(26,426,247.12)</b>		<b>(26,426,247.12)</b>
Business-Type Activities:							
Food Service	444,151.54	219,657.51	215,474.66			\$ (9,019.37)	(9,019.37)
Enterprise Other	24,308,301.53	24,789,739.10				481,437.57	481,437.57
<b>Total Business-Type Activities</b>	<b>24,752,453.07</b>	<b>25,009,396.61</b>	<b>215,474.66</b>			<b>472,418.20</b>	<b>472,418.20</b>
<b>Total Primary Government</b>	<b>\$ 57,291,333.81</b>	<b>\$ 26,606,676.68</b>	<b>\$ 4,730,828.21</b>	<b>\$ -</b>	<b>(26,426,247.12)</b>	<b>472,418.20</b>	<b>(25,953,828.92)</b>
General Revenues:							
County Appropriation					499,211.00	63,867.00	563,078.00
Tuition - LEA's					25,124,391.52		25,124,391.52
Nonresident Fees					996,178.62		996,178.62
Miscellaneous Income					344,462.61		344,462.61
Federal and State Aid Not Restricted					27,664.41		27,664.41
Special Item							
Cancellation of Prior Year Receivable					(7,602.79)	(10,193.51)	(17,796.30)
Cancellation of Prior Year Payable					(4,258.06)	2,214.05	(2,044.01)
Cancellation of Project Balances					(243,381.99)		(243,381.99)
Refund of Prior Period Tuition/Revenue					-	(3,761.59)	(3,761.59)
Loss on Disposal of Capital Assets					(1,888.25)	(2,291.30)	(4,179.55)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>26,734,777.07</b>	<b>49,834.65</b>	<b>26,784,611.72</b>
Change in Net Assets					308,529.95	522,252.85	830,782.80
Net Assets -- July 1					36,741,123.45	10,522,621.32	47,263,744.77
Net Assets -- June 30					<b>\$ 37,049,653.40</b>	<b>\$ 11,044,874.17</b>	<b>\$ 48,094,527.57</b>

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

FUND FINANCIAL STATEMENTS

**Gloucester County Special Services School District**  
Balance Sheet  
Governmental Funds  
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 5,217,922.28		\$ 19,065.54	\$ 5,236,987.82
Cash - Capital Reserve Account	126,991.00			126,991.00
Cash - Maintenance Reserve Account	501,000.00			501,000.00
Accounts Receivable:				
State	8,834.10			8,834.10
Federal		\$ 985,687.13		985,687.13
Other			151,759.76	151,759.76
Tuition	307,007.37			307,007.37
Interfunds Receivable	7,324.91			7,324.91
<b>Total Assets</b>	<b><u>\$ 6,169,079.66</u></b>	<b><u>\$ 985,687.13</u></b>	<b><u>\$ 170,825.30</u></b>	<b><u>\$ 7,325,592.09</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Cash Overdraft		\$ 828,180.88		\$ 828,180.88
Accounts Payable	\$ 200,211.32	86,111.26	\$ 95,245.53	381,568.11
Interfunds Payable:				
Enterprise Fund	61,960.00			61,960.00
Payable to Local School District	1,196.62			1,196.62
Payable to Other Government	2,772.97		32,564.54	35,337.51
Deferred Revenue	16,400.00	71,394.99		87,794.99
<b>Total Liabilities</b>	<b><u>282,540.91</u></b>	<b><u>985,687.13</u></b>	<b><u>127,810.07</u></b>	<b><u>1,396,038.11</u></b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	126,991.00			126,991.00
Maintenance Reserve Account	501,000.00			501,000.00
<b>Assigned:</b>				
Other Purpose	630,371.55		43,015.23	673,386.78
Subsequent Year's Expenditures	2,491,445.00			2,491,445.00
<b>Unassigned:</b>				
General Fund	2,136,731.20			2,136,731.20
<b>Total Fund Balances</b>	<b><u>5,886,538.75</u></b>	<b><u>-</u></b>	<b><u>43,015.23</u></b>	<b><u>5,929,553.98</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 6,169,079.66</u></b>	<b><u>\$ 985,687.13</u></b>	<b><u>\$ 170,825.30</u></b>	

(Continued)

**Gloucester County Special Services School District**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2012

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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 the assets is \$37,894,309.38 and the accumulated depreciation is \$5,782,036.34.

\$ 32,112,273.04

Long-term liabilities, including compensated absences and capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(992,173.62)

Net assets of governmental activities

\$ 37,049,653.40

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

**Gloucester County Special Services School District**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
County Appropriation	\$ 499,211.00		-	\$ 499,211.00
Tuition - LEAs	25,124,391.52			25,124,391.52
Nonresident Fees	996,178.62			996,178.62
Miscellaneous	344,462.61	\$ 112,750.27		457,212.88
State Sources	2,162,339.08	297,105.00		2,459,444.08
Federal Sources	27,664.41	1,943,159.20		1,970,823.61
<b>Total Revenues</b>	<b>29,154,247.24</b>	<b>2,353,014.47</b>	<b>-</b>	<b>31,507,261.71</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Special Education Instruction	9,953,516.95	655,180.48		10,608,697.43
Other Special Instruction	382,512.11			382,512.11
<b>Support Services and Undistributed Costs:</b>				
Student and Instruction Related Services	4,301,401.95	1,697,833.99		5,999,235.94
General Administration	309,459.96			309,459.96
School Administration	1,209,373.59			1,209,373.59
Central Services	174,564.54			174,564.54
Plant Operations and Maintenance	2,473,996.57			2,473,996.57
Pupil Transportation	25,169.17			25,169.17
Unallocated Benefits	6,120,518.90			6,120,518.90
On-Behalf Pension Contributions	1,199,881.00			1,199,881.00
Reimbursed TPAF Social Security Contributions	962,458.08			962,458.08
Capital Outlay	844,232.35	-	184,439.24	1,028,671.59
<b>Total Expenditures</b>	<b>27,957,085.17</b>	<b>2,353,014.47</b>	<b>184,439.24</b>	<b>30,494,538.88</b>
Excess (Deficiency) of Revenues over Expenditures	1,197,162.07	-	(184,439.24)	1,012,722.83
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital Projects Fund Adjustment	(4,258.06)			(4,258.06)
Cancellation of Accounts Receivable	(7,602.79)			(7,602.79)
Cancellation of Project Balances			(243,381.99)	(243,381.99)
<b>Total Other Financing Sources and Uses</b>	<b>(11,860.85)</b>	<b>-</b>	<b>(243,381.99)</b>	<b>(255,242.84)</b>
<b>Net Change in Fund Balances</b>	<b>1,185,301.22</b>	<b>-</b>	<b>(427,821.23)</b>	<b>757,479.99</b>
Fund Balance -- July 1	4,701,237.53		470,836.46	5,172,073.99
<b>Fund Balance -- June 30</b>	<b>\$ 5,886,538.75</b>	<b>\$ -</b>	<b>\$ 43,015.23</b>	<b>\$ 5,929,553.98</b>

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

**Gloucester 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 Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds		\$ 757,479.99
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>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.</p>		
Depreciation Expense	\$ (968,882.01)	
Capital Outlays	<u>546,385.14</u>	(422,496.87)
The net effect of various miscellaneous transactions involving capital assets (i.e., adjustments and disposals) is to decrease net assets.		(1,888.25)
In the statement of activities, certain operating expenses, e.g., compensated absences 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(24,564.92)</u>
Change in Net Assets of Governmental Activities		<u>\$ 308,529.95</u>

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

**Gloucester County Special Services School District**  
Statement of Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Other Enterprise Funds	Total	Internal Service Fund
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 178,846.34	\$ 7,228,147.02	\$ 7,406,993.36	\$ -
Accounts Receivable		24,628.00	24,628.00	
Intergovernmental Accounts Receivable:				
State	237.04		237.04	
Federal	10,203.76		10,203.76	
Other		3,541,896.71	3,541,896.71	
Interfund Accounts Receivable		61,960.00	61,960.00	
Net, Capital Assets	33,288.66	362,246.39	395,535.05	
Inventories	4,338.35		4,338.35	
<b>Total Assets</b>	<b>\$ 226,914.15</b>	<b>\$ 11,218,878.12</b>	<b>\$ 11,445,792.27</b>	<b>\$ -</b>
<b>LIABILITIES:</b>				
Cash Deficit		335,641.65	335,641.65	
Accounts Payable		62,876.45	62,876.45	
Deferred Revenues		2,400.00	2,400.00	
<b>Total Liabilities</b>	<b>-</b>	<b>400,918.10</b>	<b>400,918.10</b>	<b>-</b>
<b>NET ASSETS:</b>				
Invested in Capital Assets, Net of Related Debt	33,288.66	362,246.39	395,535.05	
Unrestricted	193,625.49	10,455,713.63	10,649,339.12	
<b>Total Net Assets</b>	<b>\$ 226,914.15</b>	<b>\$ 10,817,960.02</b>	<b>\$ 11,044,874.17</b>	<b>\$ -</b>

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

**Gloucester County Special Services School District**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Other Enterprise Funds	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>				
Local Sources				
Daily Sales - Non-Reimbursable Programs	\$ 187,088.65		\$ 187,088.65	
Special Functions	32,568.86		32,568.86	
County Tax Levy		\$ 63,867.00	63,867.00	
Fees for Services		24,789,739.10	24,789,739.10	\$ 1,597,280.07
<b>Total Operating Revenues</b>	<b>219,657.51</b>	<b>24,853,606.10</b>	<b>25,073,263.61</b>	<b>1,597,280.07</b>
<b>OPERATING EXPENSES:</b>				
Cost of Goods Sold	205,048.61	145,972.48	351,021.09	
Salaries		10,418,059.56	10,418,059.56	1,597,280.07
Employee Benefits		4,266,773.66	4,266,773.66	
Purchased Professional/Educational Services		1,437.50	1,437.50	
Purchased Professional/Professional Services		94,153.26	94,153.26	
Purchased Professional/Technical Services		165,541.41	165,541.41	
Purchased Professional/Shared Services		1,092,655.07	1,092,655.07	
Other Purchased Services		116,642.61	116,642.61	
Contracted Services	24,097.50	7,577,434.25	7,601,531.75	
Printing and Binding		13,092.14	13,092.14	
Commercial Liability		38,650.00	38,650.00	
Utilities		26,391.89	26,391.89	
Postage Expense		348.17	348.17	
Miscellaneous Purchased Services	191,349.53		191,349.53	
Operations and Maintenance		3,055.03	3,055.03	
Travel		22,390.74	22,390.74	
Supplies and Materials	18,303.32	76,823.77	95,127.09	
Textbooks		83,344.15	83,344.15	
Non-Instructional Equipment		1,500.00	1,500.00	
Miscellaneous Expenditures	624.59	71,279.08	71,903.67	
Rental of Land and Buildings		19,350.00	19,350.00	
Depreciation	4,727.99	73,406.76	78,134.75	
<b>Total Operating Expenses</b>	<b>444,151.54</b>	<b>24,308,301.53</b>	<b>24,752,453.07</b>	<b>1,597,280.07</b>
Operating Gain/ (Loss)	(224,494.03)	545,304.57	320,810.54	-
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Local Source:				
State Source:				
State School Lunch Program	4,655.56		4,655.56	
Federal Source:				
National School Lunch Program	123,223.15		123,223.15	
National School Breakfast Program	68,724.48		68,724.48	
Food Distribution Program	18,871.47		18,871.47	
Refund of Prior Year Revenue		(3,761.59)	(3,761.59)	
Loss on Disposal of Fixed Assets		(2,291.30)	(2,291.30)	
Cancellation of Prior Year Payable		2,214.05	2,214.05	
Cancellation of Prior Year Receivable		(10,193.51)	(10,193.51)	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>215,474.66</b>	<b>(14,032.35)</b>	<b>201,442.31</b>	
Change in Net Assets	(9,019.37)	531,272.22	522,252.85	-
Net Assets -- July 1	235,933.52	10,286,687.80	10,522,621.32	
Net Assets -- June 30	<u>\$ 226,914.15</u>	<u>\$ 10,817,960.02</u>	<u>\$ 11,044,874.17</u>	<u>\$ -</u>

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

**Gloucester County Special Services School District**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Other Enterprise Funds	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 220,384.40	\$ 24,769,507.68	\$ 24,989,892.08	\$ 1,597,280.07
Payments to Employees	-	(9,246,316.30)	(9,246,316.30)	(1,597,280.07)
Payments for Employee Benefits	-	(4,266,773.66)	(4,266,773.66)	
Payments to Suppliers	(422,932.60)	(10,800,823.33)	(11,223,755.93)	
Net Cash Used in Operating Activities	(202,548.20)	455,594.39	253,046.19	-
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Prior Year Revenue	-	(5,591.30)	(5,591.30)	
Refund of Prior Year Overpayments	-	(1,661.59)	(1,661.59)	
Refund of Prior Year Revenue	-	(5,145.74)	(5,145.74)	
Cancellation of Prior Year Payable	-	1,951.30	1,951.30	
Cash Received from State & Federal Reimbursements	186,162.39	-	186,162.39	
Net Cash Provided by (Used in) Non-Capital Financing Activities	186,162.39	(10,447.33)	175,715.06	
Net Increase (Decrease) in Cash and Cash Equivalents	(16,385.81)	445,147.06	428,761.25	-
Cash and Cash Equivalents -- July 1	195,232.15	6,447,358.31	6,642,590.46	
Cash and Equivalents -- June 30	\$ 178,846.34	\$ 6,892,505.37	\$ 7,071,351.71	\$ -
<b>Analysis of Cash Balance at June 30</b>				
Cash and Equivalents	\$ 178,846.34	\$ 7,228,147.02	\$ 7,406,993.36	\$ -
Cash Deficit		(335,641.65)	(335,641.65)	
	\$ 178,846.34	\$ 6,892,505.37	\$ 7,071,351.71	\$ -
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>				
Operating Income/(Loss)	\$ (224,494.03)	\$ 542,994.55	\$ 318,500.52	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:				
Depreciation	4,727.99	73,406.76	78,134.75	
Food Distribution Program	18,871.47		18,871.47	
(Increase)/Decrease in Fixed Assets		(76,207.50)	(76,207.50)	
(Increase)/Decrease in Other Accounts Receivable	726.89	(80,001.65)	(79,274.76)	
Increase/(Decrease) in Inventory	(464.35)		(464.35)	
Increase/(Decrease) in Accounts Payable	(1,916.17)	(3,073.77)	(4,989.94)	
Increase/(Decrease) in Deferred Revenue		(1,524.00)	(1,524.00)	
Net Cash Used in Operating Activities	\$ (202,548.20)	\$ 455,594.39	\$ 253,046.19	\$ -

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

**Gloucester County Special Services School District**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	<u>Expendable Trust Funds</u>		<u>Agency Funds</u>	
	<u>Donations Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 55,124.48	\$ 1,744.33	\$ 234,207.48	\$ 7,324.91
Total Assets	<u>\$ 55,124.48</u>	<u>\$ 1,744.33</u>	<u>\$ 234,207.48</u>	<u>\$ 7,324.91</u>
<b>LIABILITIES:</b>				
Due to Student Groups Interfund Accounts Payable			\$ 234,207.48	\$ 7,324.91
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 234,207.48</u>	<u>\$ 7,324.91</u>
<b>NET ASSETS:</b>				
Reserve for Students Reserved for Scholarship Funds	55,124.48	1,744.33		
Total Net Assets	<u>\$ 55,124.48</u>	<u>\$ 1,744.33</u>		

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

**Gloucester County Special Services School District**  
 Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 For the Fiscal Year Ended June 30, 2012

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	<u>Donations Trust</u>	<u>Scholarship Trust</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Refund	\$ 16,200.00		\$ 16,200.00
Interest		\$ 1.83	1.83
Total Additions	16,200.00	1.83	16,201.83
DEDUCTIONS:			
Cash Disbursements	897.90		897.90
Total Operating Expenses	897.90	-	897.90
Change in Net Assets	15,302.10	1.83	15,303.93
Net Assets, July 1	39,822.38	1,742.50	41,564.88
Net Assets, June 30	\$ 55,124.48	\$ 1,744.33	\$ 56,868.81

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

**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2012

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** - The Gloucester County Special School Services District (hereafter referred to as the "School District") is a Type I district located in the County of Gloucester, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board is comprised of seven members, six members appointed by the Director of the Board of Chosen Freeholders, and the seventh member is the County School Superintendent. The role of the District is to provide quality programs of special education and related services that meet the needs of students with disabilities from the preschool years through age 21. The District also provides a wide range of quality educational programs and administrative services to public school districts and their boards of education. The School District has an approximate enrollment at June 30, 2012 of 720.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units** - The Gloucester County Special Services School District is a component unit of the County of Gloucester as described in governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discreetly presented as part of the county's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

**Basis of Presentation** - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations, issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this note.

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**District-wide Financial Statements** - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Presentation (Cont'd)**

**District-wide Financial Statements (cont'd)** - Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2012 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)**

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources to be used for the acquisition or construction of capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the County Board of School Estimate.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

**Enterprise Funds** - The enterprise funds are used to account for operations

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. where the School 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 School District's enterprise funds are:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**Center for Regional Educational Support Services (CRESS)** – This fund accounts for the financial activity related to contracting with public schools for various cooperative educational programs.

**ACT** - Adult Center for Transition is a program for young adults with disabilities, ages 16-24. The program provides services to assist this group in the transition to life after high school.

**Non-public Services** – This fund accounts for the financial activity related to contracting with private schools to provide educational and support services under the non-public schools' entitlement.

**Student Residency Investigation** – This fund accounts for the financial activity related to providing investigative services for children suspected of living outside their respective school district.

**GCC Roadrunner Café** - This fund accounts for the financial activity related to operating a convenience store at Gloucester County College.

**One-on-One Teachers' Assistants** – This fund accounts for the financial activity related to providing one-on-one teacher assistants to special education child with a severe needs.

**Safe School Program** – This fund accounts for the financial activity related to contracting with public schools in Gloucester County for Crisis Management/Intervention Services.

**Therapeutic Recreation Program** – This fund accounts for the financial activity related to contracting with the County Parks and Recreation Program to provide a summer camp for Bankbridge School.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)****Proprietary Funds – Enterprise Funds (Cont'd)**

**Auxiliary Services** – This fund accounts for the financial activity related to providing home instruction and child study team evaluations for public school students.

**Cooperative Transportation Project** – This fund accounts for the financial activity related to bidding for public, non-public, homeless, Special Ed. and Vo-Tech bus routes in primarily Gloucester and Salem Counties.

**Employee Assistance Program** – This fund accounts for the financial activity related to providing counseling services to employees of educational organizations through the University of Medical and Dentistry of New Jersey.

**Non-public Textbook and Technology** – This fund accounts for the financial activity related to contracting with public schools to provide the service of purchasing textbooks and technology of non-public schools under the non-public schools' entitlement.

**Additional Remedial Services Chapter I** – This fund accounts for the financial activity related to contracting with Clayton and Pennsville School District to provide remedial services under the Title I grant.

**Summer Food Service** - this is a food service program through the Department of Agriculture which provides nutritional meals to summer school students as well as afterschool camp programs to eligible governmental entities.

**Goals for Youth Program** – This fund accounts for the financial activity related to contracting with Buena Teen Center/Atlantic Care, the Gloucester County Special Services School Foundation, and Bankbridge Regional to provide a motivational programs for students to stay in school.

**Together Shelter Homeless Instruction** – This fund accounts for the financial activity related to providing tutoring instruction to children living at the homeless shelter in Glassboro.

**Computer Services** – This fund accounts for the financial activity related to selling computer software and providing software support services to over 100 school districts.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Equipment	5-10 Years
Light Trucks and Vehicles	5-10 Years
Heavy Trucks and Vehicles	10 Years

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)**

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has four fiduciary funds, a private-purpose scholarship fund, a donations trust fund, a student activity fund, and a payroll / payroll agency fund.

**Measurement Focus**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Accounting (Cont'd)**

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, if any, would be recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

**Expenses / Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgets / Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the Board of School Estimates 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. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets / Budgetary Control (Cont'd)** - The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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 and Exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

**Encumbrances** - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Tuition Receivable** - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Deferred Expenditures** - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

**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 School District, and that are due within one year. These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable on the statement of net assets.

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Capital Assets (Cont'd)** - Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-10 Years
Vehicles	5-10 Years	5-10 Years

**Accrued Salaries and Wages** - Certain School 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.

**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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability, if any.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Balance** - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, and fees for the various program services. Non-operating revenues principally consist of federal and state grant funding.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Interfund Activity** - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the School District's bank balances of \$13,589,965.28 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 983,239.61
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**New Jersey Cash Management Fund** - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2012, the School District's deposits with the New Jersey Cash Management Fund were \$206,622.59

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$10,000.00 on September 20, 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.

**Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)**

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance July 1, 2011	\$ 126,891.00
Increased by:	
Interest Earnings	<u>100.00</u>
Ending Balance June 30, 2012	<u><u>\$ 126,991.00</u></u>

The June 30, 2012 LRFP balance of local support costs of uncompleted projects at June 30, 2012 is \$126,991.00.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 8,834.10	\$ 985,687.13		\$ 10,440.80	\$ 1,004,962.03
Other	<u>307,007.37</u>		<u>\$ 151,759.76</u>	<u>3,541,896.71</u>	<u>4,000,663.84</u>
Total	<u><u>\$ 315,841.47</u></u>	<u><u>\$ 985,687.13</u></u>	<u><u>\$ 151,759.76</u></u>	<u><u>\$ 3,552,337.51</u></u>	<u><u>\$ 5,005,625.87</u></u>

**Note 5: INVENTORY**

Inventory in the food service fund at June 30, 2012 consisted of the following:

Food	\$ 2,876.38
Supplies	<u>1,461.97</u>
	<u><u>\$ 4,338.35</u></u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 230,052.00			\$ 230,052.00
Construction in Progress	102,545.53	\$ 184,439.24		286,984.77
Total Capital Assets not being Depreciated	<u>332,597.53</u>	<u>184,439.24</u>	<u>-</u>	<u>517,036.77</u>
Capital Assets, being Depreciated:				
Land Improvements	7,920.00			7,920.00
Building and Improvements	34,137,820.35			34,137,820.35
Equipment	2,914,734.76	361,945.90	\$ (45,148.40)	3,231,532.26
Total Capital Assets, being Depreciated	<u>37,060,475.11</u>	<u>361,945.90</u>	<u>(45,148.40)</u>	<u>37,377,272.61</u>
Less Accumulated Depreciation for:				
Land Improvements	(5,050.00)	(246.00)		(5,296.00)
Building and Improvements	(3,458,297.53)	(682,893.77)		(4,141,191.30)
Equipment	(1,393,066.95)	(285,742.24)	43,260.15	(1,635,549.04)
Total Accumulated Depreciation	<u>(4,856,414.48)</u>	<u>(968,882.01) *</u>	<u>43,260.15</u>	<u>(5,782,036.34)</u>
Total Capital Assets, being Depreciated, Net	<u>32,204,060.63</u>		<u>(1,888.25)</u>	<u>31,595,236.27</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,536,658.16</u>	<u>\$ 184,439.24</u>	<u>(1,888.25)</u>	<u>\$ 32,112,273.04</u>
<b>Business-Type Activities:</b>				
Total Capital Assets, being Depreciated:				
Equipment	\$ 1,193,917.64	\$ 76,557.00	(6,349.50)	\$ 1,264,125.14
Less Accumulated Depreciation	(796,455.34)	(78,134.75)	6,000.00	(868,590.09)
Total Business-Type Activities Capital Assets, Net	<u>\$ 397,462.30</u>	<u>\$ (1,577.75)</u>	<u>(349.50)</u>	<u>\$ 395,535.05</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 84,558.72
Support Services - Students	16,689.88
Support Services - Instructional Staff	10,935.94
Support Services - General Administration	64,272.25
Support Services - School Administration	9,448.67
Support Services - Plant Operations & Maintenance	464,637.34
Support Services - Pupil Transportation	18,232.45
Support Services - Business Support Services	3,630.42
Unallocated	<u>296,476.34</u>
Total Depreciation Expense	<u>\$ 968,882.01</u>

**Note 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>				
Compensated Absences	\$ 967,608.70	\$ 24,564.92	\$ 992,173.62	\$ 15,138.28
Governmental Activity Long-term Liabilities	<u>\$ 967,608.70</u>	<u>\$ 24,564.92</u>	<u>\$ 992,173.62</u>	<u>\$ 15,138.28</u>

**Note 8: OPERATING LEASES**

At June 30, 2012, the School District had operating lease agreement in effect for mail and copier equipment. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 42,746.04
2014	<u>42,746.04</u>
	<u>\$ 85,492.08</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$48,362.04

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

**Note 9: PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)** - The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

**Public Employees' Retirement System** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Contributory Group Life Insurance</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 319,171.00	\$ 638,342.00	\$ 61,005.00	\$ 1,018,518.00	\$ 1,018,518.00
2011	339,710.00	541,306.00	66,913.00	947,929.00	947,929.00
2010	296,299.00	380,709.00	93,885.00	770,893.00	770,893.00

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Note 9: PENSION PLANS (CONT'D)**

**Defined Contribution Retirement Program (Cont'd)** - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$926.00	-	\$926.00	\$ 176.78
2011	926.64	-	926.64	505.36
2010	N/A	N/A	N/A	N/A

**Note 10: POST-RETIREMENT BENEFITS**

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

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire 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: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$398,597.00 and \$801,284.00, respectively.

**Note 12: RISK MANAGEMENT**

The 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; and natural disasters.

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

**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the New Jersey School Boards Association Insurance Group. The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)  
 General Liability  
 Automobile Liability  
 Workers' Compensation  
 Educator's Legal Liability  
 Boiler and Machinery

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the School District with the following coverage:

Property - Blanket Building and Grounds  
 General and Automobile Liability  
 Workers' Compensation and Employers' Liability  
 School Leaders Errors and Omissions

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report, which can be obtained from:

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

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit 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:

Advanced Asset Planning Service  
 Lincoln Investment Planning Resources Trust  
 Advantage Capital  
 The Equitable

**Note 14: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years to a maximum of 100 days. School District employees who are employed for twelve months are entitled to ten to twenty vacation days depending on the employee's number of years of service. Vacation days not used during the year may be carried forward to a maximum of five days for school district employees and up to a maximum of ten days for administrators. Benefits paid in any future year will be calculated according to formulas outlined in the District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the governmental activities and proprietary fund types was \$992,173.62 and \$-0- respectively.

**Note 15: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 7,324.91	\$ 61,960.00
Proprietary		7,324.91
Fiduciary	<u>61,960.00</u>	<u>                    </u>
	<u>\$ 69,284.91</u>	<u>\$ 69,284.91</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 20X2, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 16: FUND BALANCES****NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. As of June 30, 2012, the District did not have any nonspendable fund balances.

**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund -**

**For Capital Reserve Account** - As of June 30, 2012, the balance in the capital reserve account is \$126,991.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2012, the balance in the maintenance reserve account is \$501,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**COMMITTED**

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. The District did not have any committed balances as of June 30, 2012.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund -**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2012 \$2,491,445.00 of general fund balance at June 30, 2012.

**Other Purposes** - As of June 30, 2012, the School District had \$630,371.55 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Capital Projects Fund -**

**Other Purposes** - As of June 30, 2012, the School District had \$43,015.23 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Note 16: FUND BALANCES (CONT'D)****UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2012, \$2,136,731.20 of general fund balance was unassigned.

**Note 17: LITIGATION**

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

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County Appropriations	\$ 499,211.00	-	\$ 499,211.00	\$ 499,211.00	-
Tuition - LEAs	22,148,775.00	\$ 2,537,458.00	24,686,233.00	25,124,391.52	\$ 438,158.52
Nonresident Fees	780,000.00	-	780,000.00	996,178.62	216,178.62
Interest Earned on Capital Reserve Funds	100.00	(100.00)	-	-	-
Interest Earned on Maintenance Reserve Funds	1,000.00	(1,000.00)	-	-	-
Miscellaneous	296,000.00	(83,900.05)	212,099.95	344,462.61	132,362.66
<b>Total Local Sources</b>	<b>23,725,086.00</b>	<b>2,452,457.95</b>	<b>26,177,543.95</b>	<b>26,964,243.75</b>	<b>786,699.80</b>
State Sources:					
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	-	-	-	398,597.00	398,597.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)	-	-	-	801,284.00	801,284.00
TPAF Social Security (Reimbursed - Nonbudgeted)	-	-	-	962,458.08	962,458.08
<b>Total State Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,162,339.08</b>	<b>2,162,339.08</b>
Federal Sources:					
Special Education Aid - Medicaid Initiative	17,500.00	-	17,500.00	27,664.41	10,164.41
<b>Total Federal Services</b>	<b>17,500.00</b>	<b>-</b>	<b>17,500.00</b>	<b>27,664.41</b>	<b>10,164.41</b>
<b>Total Revenues</b>	<b>23,742,586.00</b>	<b>2,452,457.95</b>	<b>26,195,043.95</b>	<b>29,154,247.24</b>	<b>2,959,203.29</b>
<b>EXPENDITURES:</b>					
GENERAL CURRENT EXPENSE:					
Behavioral Disabilities					
Salaries of Teachers	1,455,700.00	56,213.08	1,511,913.08	1,288,763.57	223,149.51
Other Salaries for Instruction	530,000.00	1,308.75	531,308.75	527,257.18	4,051.57
Purchased Professional Services	31,300.00	1,650.00	32,950.00	32,515.00	435.00
Purchased Technical Services	20,500.00	12,132.00	32,632.00	13,556.73	19,075.27
Cleaning, Repair & Maintenance Service	13,000.00	(3,432.00)	9,568.00	1,648.37	7,919.63
Rentals	6,298.00	-	6,298.00	6,297.18	0.82
Other Purchased Services	-	300.00	300.00	115.65	184.35
Communications/Telephone	8,700.00	-	8,700.00	4,742.56	3,957.44
Travel	150.00	300.00	450.00	256.00	194.00
Miscellaneous Services	28,700.00	1,550.00	30,250.00	28,839.77	1,410.23
General Supplies	132,104.00	13,554.31	145,658.31	111,599.77	34,058.54
Textbooks	14,100.00	(11,500.00)	2,600.00	2,499.49	100.51
Miscellaneous Expenditures	3,000.00	(700.00)	2,300.00	287.38	2,012.62
<b>Total Behavioral Disabilities</b>	<b>2,243,552.00</b>	<b>71,376.14</b>	<b>2,314,928.14</b>	<b>2,018,378.65</b>	<b>296,549.49</b>
Multiple Disabilities					
Salaries of Teachers	3,814,350.00	150,199.02	3,964,549.02	3,777,121.88	187,427.14
Other Salaries for Instruction	1,607,800.00	25,347.48	1,633,147.48	1,596,231.61	36,915.87
Purchased Professional-Educational Services	31,300.00	48,350.00	79,650.00	79,135.00	515.00
Purchased Technical Services	43,650.00	29,360.00	73,010.00	30,368.66	42,641.34
Cleaning, Repair & Maintenance Service	18,750.00	16,590.00	35,340.00	16,313.37	19,026.63
Rentals	14,391.00	-	14,391.00	14,389.50	1.50
Other Purchased Services	750.00	300.00	1,050.00	269.85	780.15
Communications/Telephone	26,200.00	1,040.00	27,240.00	22,806.66	4,433.34
Travel	100.00	100.00	200.00	27.90	172.10
Miscellaneous Services	124,050.00	16,000.00	140,050.00	137,888.60	2,161.40
General Supplies	530,671.00	65,763.50	596,434.50	452,994.94	143,439.56
Textbooks	32,900.00	(25,467.85)	7,432.15	2,178.83	5,253.32
Miscellaneous Expenditures	6,500.00	(2,000.00)	4,500.00	682.20	3,817.80
<b>Total Multiple Disabilities</b>	<b>6,251,412.00</b>	<b>325,582.15</b>	<b>6,576,994.15</b>	<b>6,130,409.00</b>	<b>446,585.15</b>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	364,200.00	67,740.00	431,940.00	420,099.70	11,840.30
Other Salaries for Instruction	213,525.00	(82,877.00)	130,648.00	127,545.41	3,102.59
Purchased Technical Services	500.00	-	500.00	-	500.00
Cleaning, Repair & Maintenance Service	500.00	-	500.00	-	500.00
Communications/Telephone	1,700.00	-	1,700.00	1,313.79	386.21
Miscellaneous Services	7,395.00	12,150.00	19,545.00	17,044.89	2,500.11
General Supplies	43,991.00	27,863.31	71,854.31	63,140.51	8,713.80
Miscellaneous Expenditures	1,200.00	-	1,200.00	-	1,200.00
<b>Total Preschool Disabilities - Full-Time</b>	<b>633,011.00</b>	<b>24,876.31</b>	<b>657,887.31</b>	<b>629,144.30</b>	<b>28,743.01</b>

(Continued)

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Home Instruction:					
Purchased Professional Educational Services	\$ 15,000.00	\$ 0.08	\$ 15,000.08	\$ 3,225.00	\$ 11,775.08
Extended School Year:					
Salaries of Teachers	380,000.00	6,550.00	386,550.00	385,810.99	739.01
Other Salaries for Instruction	300,500.00	(78,523.25)	221,976.75	219,594.41	2,382.34
Purchased Professional-Educational Services	1,800.00	1,600.00	3,400.00	3,347.50	52.50
Purchased Technical Services	543,325.00	66,723.25	610,048.25	555,193.50	54,854.75
Other Purchased Services	-	400.00	400.00	340.00	60.00
General Supplies	13,500.00	(650.00)	12,850.00	8,073.60	4,776.40
Miscellaneous Expenditures	4,000.00	(3,600.00)	400.00	-	400.00
Total Extended School Year	1,243,125.00	(7,500.00)	1,235,625.00	1,172,360.00	63,265.00
Total Special Education Instruction	10,386,100.00	414,334.68	10,800,434.68	9,953,516.95	846,917.73
School - Sponsored Cocurricular Activities - Instruction					
Salaries	4,000.00	-	4,000.00	2,000.00	2,000.00
Total School - Sponsored Cocurricular Activities - Instruction	4,000.00	-	4,000.00	2,000.00	2,000.00
School - Sponsored Athletics - Instruction					
Salaries	75,000.00	-	75,000.00	65,966.68	9,033.32
Rentals	3,000.00	-	3,000.00	1,036.00	1,964.00
General Supplies	2,000.00	-	2,000.00	(20.95)	2,020.95
Other Objects	1,000.00	-	1,000.00	-	1,000.00
Total School - Sponsored Athletics - Instruction	81,000.00	-	81,000.00	66,981.73	14,018.27
Other Instructional Programs - Special Education					
Salaries	503,837.00	(152,501.16)	351,335.84	308,710.91	42,624.93
Purchased Professional - Educational Services	1,750.00	-	1,750.00	1,750.00	-
Cleaning, Repair & Maintenance Service	500.00	-	500.00	500.00	-
Purchased Services	18,200.00	(17,500.00)	700.00	192.74	507.26
General Supplies	2,500.00	1,491.09	3,991.09	1,278.47	2,712.62
Textbooks	1,000.00	-	1,000.00	-	1,000.00
Other Objects	3,000.00	-	3,000.00	1,098.26	1,901.74
Total Other Instructional Programs - Special Education	530,787.00	(168,510.07)	362,276.93	313,530.38	48,746.55
Total Instruction	11,001,887.00	245,824.61	11,247,711.61	10,336,029.06	911,682.55
Undistributed Expenditures:					
Attendance & Social Work					
Salaries	105,825.00	1,510.00	107,335.00	105,732.66	1,602.34
Travel	-	100.00	100.00	9.92	90.08
General Supplies	-	1,800.00	1,800.00	1,794.06	5.94
Total Attendance & Social Work	105,825.00	3,410.00	109,235.00	107,536.64	1,698.36
Health Services:					
Salaries	377,225.00	28,000.00	405,225.00	404,757.25	467.75
Purchased Professional and Technical Services	30,000.00	21,334.50	51,334.50	51,334.50	-
Cleaning, Repair & Maintenance Service	-	300.00	300.00	300.00	-
Other Purchased Services	1,000.00	(600.00)	400.00	-	400.00
Communications/Telephone	200.00	-	200.00	179.76	20.24
General Supplies	10,000.00	7,250.00	17,250.00	15,977.36	1,272.64
Miscellaneous Expenditures	1,100.00	-	1,100.00	-	1,100.00
Total Health Services	419,525.00	56,284.50	475,809.50	472,548.87	3,260.63
Speech, OT, PT & Related Services:					
Salaries	161,405.00	58,566.50	219,971.50	211,503.00	8,468.50
Purchased Professional - Educational Services	2,040,000.00	(121,206.35)	1,918,793.65	1,905,191.00	13,602.65
General Supplies	5,000.00	14,700.00	19,700.00	19,007.62	692.38
Total - Speech, OT, PT & Related Services	2,206,405.00	(47,939.85)	2,158,465.15	2,135,701.62	22,763.53

(Continued)

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 872,675.00	\$ (69,424.00)	\$ 803,251.00	\$ 790,412.78	\$ 12,838.22
Purchased Professional - Educational Services	-	342,900.00	342,900.00	342,900.00	-
Other Purchases Professional and Technical Services	5,000.00	25,500.00	30,500.00	15,446.00	15,054.00
Cleaning, Repair & Maintenance Service	2,500.00	(1,048.50)	1,451.50	345.68	1,105.82
Other Purchased Services	5,600.00	(2,000.00)	3,600.00	2,097.96	1,502.04
Communications/Telephone	400.00	-	400.00	375.88	24.12
General Supplies	2,600.00	2,500.00	5,100.00	4,240.09	859.91
Other Objects	100.00	48.50	148.50	-	148.50
<b>Total Child Study Teams</b>	<b>888,875.00</b>	<b>298,476.00</b>	<b>1,187,351.00</b>	<b>1,155,818.39</b>	<b>31,532.61</b>
Improvement of Instruction Services/Other Support Services - Instruction Staff:					
Salaries of Supervisor of Instruction	93,775.00	1,000.00	94,775.00	94,755.39	19.61
Salaries of Other Professional Staff	71,975.00	200.00	72,175.00	72,168.00	7.00
Salaries of Secretarial & Clerical Assistants	69,125.00	(407.00)	68,718.00	67,605.84	1,112.16
Other Salaries	3,000.00	(3,000.00)	-	-	-
Purchased Professional - Educational Services	34,900.00	12,207.00	47,107.00	32,789.89	14,317.11
Other Purchased Professional and Technical Services	-	1,000.00	1,000.00	799.00	201.00
Travel	6,900.00	(6,400.00)	500.00	66.03	433.97
General Supplies	6,500.00	(1,800.00)	4,700.00	4,694.60	5.40
Miscellaneous Expenditures	1,000.00	-	1,000.00	219.00	781.00
<b>Total Improvement of Instruction Services/Other Support Services - Instruction Staff</b>	<b>287,175.00</b>	<b>2,800.00</b>	<b>289,975.00</b>	<b>273,097.75</b>	<b>16,877.25</b>
Educational Media Services/School Library:					
Salaries	1,500.00	-	1,500.00	1,400.00	100.00
Salaries for Technology Coordinators	163,250.00	(17,200.00)	146,050.00	143,880.29	2,169.71
Purchased Professional Technical Services	-	1,000.00	1,000.00	499.00	501.00
Rentals	6,710.00	-	6,710.00	6,709.20	0.80
Communications/Telephone	800.00	1,000.00	1,800.00	1,706.24	93.76
General Supplies	1,500.00	200.00	1,700.00	1,078.96	621.04
<b>Total Educational Media Services/School Library</b>	<b>173,760.00</b>	<b>(15,000.00)</b>	<b>158,760.00</b>	<b>155,273.69</b>	<b>3,486.31</b>
Instructional Staff Training Services:					
Other Salaries	-	250.00	250.00	250.00	-
Travel	13,500.00	(6,250.00)	7,250.00	1,174.99	6,075.01
<b>Total Instructional Staff Training Services</b>	<b>13,500.00</b>	<b>(6,000.00)</b>	<b>7,500.00</b>	<b>1,424.99</b>	<b>6,075.01</b>
Support Services - General Administration:					
Salaries	108,600.00	(33,000.00)	75,600.00	75,500.16	99.84
Legal Services	50,000.00	3,797.09	53,797.09	47,003.94	6,793.15
Audit Fees	52,000.00	-	52,000.00	52,000.00	-
Other Purchased Professional Services	13,500.00	-	13,500.00	3,192.50	10,307.50
Purchased Technical Services	-	500.00	500.00	500.00	-
Cleaning, Repair and Maintenance Services	500.00	-	500.00	-	500.00
Rentals	-	3,957.00	3,957.00	3,956.64	0.36
Insurance	4,000.00	1,300.00	5,300.00	5,300.00	-
Communications/Telephone	55,000.00	652.91	55,652.91	55,234.69	418.22
BOE Other Purchased Services	4,000.00	(3,000.00)	1,000.00	-	1,000.00
Other Purchased Services	2,750.00	-	2,750.00	1,503.15	1,246.85
Miscellaneous Purchased Services	7,000.00	(2,950.00)	4,050.00	1,895.42	2,154.58
General Supplies	4,000.00	8,000.00	12,000.00	10,737.17	1,262.83
BOE In-House Training/Meeting Supplies	3,000.00	-	3,000.00	2,988.80	11.20
Miscellaneous Expenditures	7,400.00	-	7,400.00	4,740.00	2,660.00
BOE Membership Dues and Fees	6,700.00	100.00	6,800.00	6,752.90	47.10
<b>Total Support Services General Administration</b>	<b>318,450.00</b>	<b>(20,643.00)</b>	<b>297,807.00</b>	<b>271,305.37</b>	<b>26,501.63</b>

(Continued)

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 618,875.00	\$ 114,142.68	\$ 733,017.68	\$ 721,267.82	\$ 11,749.86
Salaries of Other Professional Staff		89,830.00	89,830.00	89,827.92	2.08
Salaries of Secretarial and Clerical Assistants	385,900.00	16,800.00	402,700.00	388,191.26	14,508.74
Purchases Professional and Technical Services	700.00	(200.00)	500.00		500.00
Cleaning, Repair and Maintenance Services	1,000.00	-	1,000.00		1,000.00
Rentals	4,323.00	-	4,323.00	4,323.00	-
Other Purchased Services	550.00	-	550.00	11.93	538.07
Travel	500.00	150.00	650.00	591.68	58.32
Technology Supplies	20,000.00	(10,200.00)	9,800.00	5,036.48	4,763.52
Miscellaneous Expenditures	2,600.00	(700.00)	1,900.00	123.50	1,776.50
<b>Total Support Services School Administration</b>	<b>1,034,448.00</b>	<b>209,822.68</b>	<b>1,244,270.68</b>	<b>1,209,373.59</b>	<b>34,897.09</b>
Central Services:					
Salaries	92,525.00	(4,500.00)	88,025.00	83,408.76	4,616.24
Purchased Professional	8,000.00	-	8,000.00	6,865.00	1,135.00
Purchased Technical Services	38,200.00	-	38,200.00	33,863.00	4,337.00
Miscellaneous. Purchased Services	32,707.00	(2,457.00)	30,250.00	22,420.04	7,829.96
General Supplies	15,000.00	7,408.00	22,408.00	21,881.97	526.03
Miscellaneous Expenditures	7,375.00	-	7,375.00	6,125.77	1,249.23
<b>Total Central Services</b>	<b>193,807.00</b>	<b>451.00</b>	<b>194,258.00</b>	<b>174,564.54</b>	<b>19,693.46</b>
Administration Information Technology					
Purchased Technical Services	17,000.00	(500.00)	16,500.00	16,275.50	224.50
Cleaning, Repair and Maintenance Services	500.00	-	500.00	-	500.00
Rentals	3,771.00	-	3,771.00	3,770.52	0.48
Communications/Telephone	2,000.00	-	2,000.00		2,000.00
Travel	2,250.00	-	2,250.00		2,250.00
Miscellaneous Purchased Services	1,000.00	-	1,000.00		1,000.00
Other Objects	11,500.00	33,632.56	45,132.56	18,108.57	27,023.99
Miscellaneous Expenditures	1,250.00	-	1,250.00		1,250.00
<b>Total Administration Information Technology:</b>	<b>39,271.00</b>	<b>33,132.56</b>	<b>72,403.56</b>	<b>38,154.59</b>	<b>34,248.97</b>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	205,010.00	31,127.22	236,137.22	137,671.08	98,466.14
General Supplies	38,670.00	162,254.46	200,924.46	7,379.36	193,545.10
Other Objects	3,100.00	-	3,100.00	410.00	2,690.00
<b>Total Required Maintenance for School Facilities:</b>	<b>246,780.00</b>	<b>193,381.68</b>	<b>440,161.68</b>	<b>145,460.44</b>	<b>294,701.24</b>
Custodial Services:					
Salaries	1,069,695.00	(25,984.21)	1,043,710.79	1,026,425.00	17,285.79
Purchased Technical Services	5,350.00	3,723.00	9,073.00	8,103.00	970.00
Cleaning, Repair and Maintenance Services	95,025.00	(14,533.76)	80,491.24	55,239.16	25,252.08
Rental of Land & Bldg Other than Lease Purch Agreement	151,500.00	25,000.00	176,500.00	156,300.00	20,200.00
Other Purchased Property Services	40,749.00	2,605.00	43,354.00	24,597.88	18,756.12
Insurance	60,000.00	-	60,000.00	59,336.64	663.36
Miscellaneous Purchased Services	10,425.00	-	10,425.00	219.00	10,206.00
General Supplies	167,250.00	13,058.71	180,308.71	131,816.12	48,492.59
Energy (Natural Gas)	194,259.00	(5,154.58)	189,104.42	96,948.29	92,156.13
Energy (Heat and Electricity)	506,226.00	(5,484.42)	500,741.58	412,495.98	88,245.60
Energy (Gasoline)	12,142.00	3,585.29	15,727.29	13,585.29	2,142.00
Other Objects	25,340.00	(261.00)	25,079.00	9,255.62	15,823.38
<b>Total Custodial Services</b>	<b>2,337,961.00</b>	<b>(3,445.97)</b>	<b>2,334,515.03</b>	<b>1,994,321.98</b>	<b>340,193.05</b>
Care & Upkeep of Grounds					
Salaries	90,025.00	-	90,025.00	66,988.11	23,036.89
Purchased Professional and Technical Services	3,525.00	1,000.00	4,525.00	3,911.00	614.00
Cleaning, Repair and Maintenance Services	22,727.00	4,595.00	27,322.00	14,880.33	12,441.67
General Supplies	55,590.00	(105.00)	55,485.00	34,759.81	20,725.19
Other Objects	1,000.00	-	1,000.00	-	1,000.00
<b>Total Care and Upkeep of Grounds</b>	<b>172,867.00</b>	<b>5,490.00</b>	<b>178,357.00</b>	<b>120,539.25</b>	<b>57,817.75</b>

(Continued)

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Security					
Salaries	\$ 5,000.00	-	\$ 5,000.00	-	\$ 5,000.00
Purchased Professional and Technical Services	207,000.00	-	207,000.00	\$ 181,870.24	25,129.76
Cleaning Repair and Maintenance Services	1,500.00	-	1,500.00	590.00	910.00
General Supplies	5,000.00	\$ 26,400.00	31,400.00	31,214.66	185.34
Other Objects	200.00	-	200.00	-	200.00
<b>Total Security</b>	<b>218,700.00</b>	<b>26,400.00</b>	<b>245,100.00</b>	<b>213,674.90</b>	<b>31,425.10</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>2,976,308.00</b>	<b>221,825.71</b>	<b>3,198,133.71</b>	<b>2,473,996.57</b>	<b>724,137.14</b>
Student Transportation Services:					
Salaries - Other than between Home and School	4,805.00	13,565.00	18,370.00	17,207.50	1,162.50
Other Purchased Professional and Technical Services	500.00	250.00	750.00	684.20	65.80
Cleaning, Repair, Maintenance Services	500.00	(250.00)	250.00	60.00	190.00
Contracted Services (Other Than Between Home & School)	8,000.00	(4,345.00)	3,655.00	3,649.33	5.67
Miscellaneous Purchased Services - Transportation	75.00	-	75.00	-	75.00
General Supplies	1,000.00	2,115.00	3,115.00	3008.14	106.86
Miscellaneous Expenditures	500.00	60.00	560.00	560.00	-
<b>Total Student Transportation Services</b>	<b>15,380.00</b>	<b>11,395.00</b>	<b>26,775.00</b>	<b>25,169.17</b>	<b>1,605.83</b>
Unallocated Benefits- Employee Benefits:					
Social Security Contributions - Other	571,600.00	(12,000.00)	559,600.00	522,415.12	37,184.88
Other Retirement Contributions - Regular	817,500.00	(242,675.22)	574,824.78	570,185.83	4,638.95
Unemployment Compensation	85,250.00	3,591.80	88,841.80	88,841.80	-
Workmen's Compensation	225,000.00	(28,697.81)	196,302.19	183,496.90	12,805.29
Health Benefits	4,881,583.00	(1,777.43)	4,879,805.57	4,588,839.14	290,966.43
Tuition Reimbursement	145,000.00	-	145,000.00	122,832.37	22,167.63
Other Employee Benefits	75,000.00	(9,920.65)	65,079.35	43,907.74	21,171.61
<b>Total Other Instructional Programs - Employee Benefits</b>	<b>6,800,933.00</b>	<b>(291,479.31)</b>	<b>6,509,453.69</b>	<b>6,120,518.90</b>	<b>388,934.79</b>
Nonbudgeted:					
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				398,597.00	(398,597.00)
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				801,284.00	(801,284.00)
Reimbursed TPAF Social Security Contributions				962,458.08	(962,458.08)
<b>Total Nonbudgeted</b>				<b>2,162,339.08</b>	<b>(2,162,339.08)</b>
<b>Total Undistributed Expenses</b>	<b>15,473,662.00</b>	<b>456,535.29</b>	<b>15,930,197.29</b>	<b>16,776,823.76</b>	<b>(846,626.47)</b>
<b>Total Expenditures - Current Expense</b>	<b>26,475,549.00</b>	<b>702,359.90</b>	<b>27,177,908.90</b>	<b>27,112,852.82</b>	<b>65,056.08</b>
<b>CAPITAL OUTLAY:</b>					
Interest Deposit to Capital Reserve	100.00	(100.00)	-		
Interest Deposit to Maintenance Reserve	1,000.00	(1,000.00)	-		
Increase in Capital Reserve Equipment:					
Behavioral Disabilities		109,996.79	109,996.79	35,220.31	74,776.48
Multiple Disabilities		403,133.10	403,133.10	140,246.28	262,886.82
Preschool Disabilities - Full Time		37,154.41	37,154.41	19,108.41	18,046.00
Child Study Team		8,026.18	8,026.18	8,026.18	-
Undistributed Expenditures:					
Admin. Info. Technology	21,000.00	36,571.50	57,571.50	10,045.66	47,525.84
Required Main. for School Facilities		25,715.02	25,715.02	12,217.14	13,497.88
Custodial Services		68,095.00	68,095.00	12,895.00	55,200.00
Care and Upkeep of Grounds	6,300.00	29,010.00	35,310.00	5,935.00	29,375.00
Security		7,900.00	7,900.00	7,900.00	-
Special Schools - Transportation - School Buses		92,439.92	92,439.92	92,439.92	-
<b>Total Equipment</b>	<b>28,400.00</b>	<b>816,941.92</b>	<b>845,341.92</b>	<b>344,033.90</b>	<b>501,308.02</b>
Facilities Acquisition and Construction Services:					
Legal Services		3,000.00	3,000.00	198.45	2,801.55
Construction Services		511,700.00	511,700.00	-	511,700.00
Other Objects		505,000.00	505,000.00	500,000.00	5,000.00
<b>Total - Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>1,019,700.00</b>	<b>1,019,700.00</b>	<b>500,198.45</b>	<b>519,501.55</b>
<b>Total Capital Outlay</b>	<b>28,400.00</b>	<b>1,836,641.92</b>	<b>1,865,041.92</b>	<b>844,232.35</b>	<b>1,020,809.57</b>
<b>Total Expenditures</b>	<b>26,503,949.00</b>	<b>2,539,001.82</b>	<b>29,042,950.82</b>	<b>27,957,085.17</b>	<b>1,085,865.65</b>

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,761,363.00)	\$ (86,543.87)	\$ (2,847,906.87)	\$ 1,197,162.07	\$ 4,045,068.94
Other Financing Sources/(Uses):					
Capital Projects Fund Adjustment				(4,258.06)	4,258.06
Prior Year Accounts Receivable Cancelled				(7,602.79)	7,602.79
Total Other Financing Sources/(Uses)		-	-	(11,860.85)	11,860.85
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,761,363.00)	(86,543.87)	(2,847,906.87)	1,185,301.22	4,056,929.79
Fund Balances, July 1	4,701,237.53		4,701,237.53	4,701,237.53	-
Fund Balances, June 30	<u>\$ 1,939,874.53</u>	<u>\$ (86,543.87)</u>	<u>\$ 1,853,330.66</u>	<u>\$ 5,886,538.75</u>	<u>\$ 4,056,929.79</u>
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 126,991.00	
Maintenance Reserve				501,000.00	
Assigned:					
Year End Encumbrances				630,371.55	
Subsequent Year's Expenditures				2,491,445.00	
Unassigned:					
General Fund				<u>2,136,731.20</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,886,538.75</u>	

**Gloucester County Special Services School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>			
State Sources	\$ 297,105.00	\$ 297,105.00	-
Federal Sources	2,992,721.16	1,943,159.20	\$ (1,049,561.96)
Other Sources	157,454.90	101,239.32	(56,215.58)
	<u>3,447,281.06</u>	<u>2,341,503.52</u>	<u>(1,105,777.54)</u>
<b>Total - Revenues</b>			
<b>EXPENDITURES</b>			
Instruction:			
Salaries of Teachers	371,389.10	269,251.32	102,137.78
Purchased Professional & Technical Services	138.00	138.00	-
Other Purchased Services	483,568.00	252,849.48	230,718.52
General Supplies	148,223.46	131,118.68	17,104.78
Other Objects	956.00	580.00	376.00
Miscellaneous	1,353.55	1,243.00	110.55
	<u>1,005,628.11</u>	<u>655,180.48</u>	<u>350,447.63</u>
<b>Total Instruction</b>			
Support Services:			
Salaries of Supervisors of Instruction	1,093,008.95	756,355.44	336,653.51
Salaries of Other Professional Staff	274,723.44	274,723.44	-
Employee Benefits	410,275.07	291,114.24	119,160.83
Purchased Professional and Technical Services	117,636.05	65,894.74	51,741.31
Purchased Professional Educational Services	10,801.00	5,818.00	4,983.00
Purchased Property Services	74,500.00	37,087.63	37,412.37
Other Purchased Professional Services	190,855.95	107,037.52	83,818.43
Telephone	9,106.63	6,677.43	2,429.20
Travel	35,615.74	25,133.42	10,482.32
Supplies and Materials	54,700.56	42,001.94	12,698.62
Equipment	18,651.00	10,846.70	7,804.30
Indirect Costs	105,457.00	59,556.00	45,901.00
Miscellaneous Expenditures	46,321.56	4,076.54	42,245.02
	<u>2,441,652.95</u>	<u>1,686,323.04</u>	<u>755,329.91</u>
<b>Total Support Services</b>			
<b>Total Expenditures</b>			
	<u>3,447,281.06</u>	<u>2,341,503.52</u>	<u>1,105,777.54</u>
<b>Excess/(Deficiency) of Revenues</b>			
Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Gloucester 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 29,154,247.24	\$ 2,341,503.52
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	
Prior Year	-	11,510.95
	-	11,510.95
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 29,154,247.24	\$ 2,353,014.47
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 27,957,085.17	\$ 2,341,503.52
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year	-	-
Prior Year	-	11,510.95
	-	11,510.95
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 27,957,085.17	\$ 2,353,014.47

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**Gloucester County Special Services School District**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	McKinney Education Homeless Children	McKinney Education Homeless Children Carryover	Migrant Education Project 2012	Migrant Education Project 2011	Education Foundation Grant Respite	Education Foundation Grant Social Skills	Assistive Technology Services 2011	Total Carried Forward
REVENUES:								
State Sources								-
Federal Sources	\$ 215,826.52	\$ 136,611.72	\$ 583,266.61	\$ 1,007,454.35				\$ 1,943,159.20
Other Sources					\$ 17,326.25	\$ 32,266.07	\$ 5,579.20	55,171.52
<b>Total Revenues</b>	<b>215,826.52</b>	<b>136,611.72</b>	<b>583,266.61</b>	<b>1,007,454.35</b>	<b>17,326.25</b>	<b>32,266.07</b>	<b>5,579.20</b>	<b>1,998,330.72</b>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	39,606.25	2,150.00	83,655.16	91,111.16	16,282.50	28,126.25	600.00	261,531.32
Purchased Professional & Technical Services							138.00	138.00
Other Purchased Services		37,017.10		215,700.00			132.38	252,849.48
General Supplies	13,798.44	45,091.25	8,399.25	58,716.25	(243.67)	1,937.24	3,419.92	131,118.68
Other Objects		50.00	100.00	430.00				580.00
Miscellaneous							1,243.00	1,243.00
<b>Total Instruction</b>	<b>53,404.69</b>	<b>84,308.35</b>	<b>92,154.41</b>	<b>365,957.41</b>	<b>16,038.83</b>	<b>30,063.49</b>	<b>5,533.30</b>	<b>647,460.48</b>
Support Services:								
Salaries Supervisors of Instruction	97,932.20	19,290.74	304,821.03	334,311.47				756,355.44
Salaries of Other Professional Staff								-
Employee Benefits	44,182.67	6,564.04	137,596.13	85,503.84	1,287.42	2,202.58	45.90	277,382.58
Purchased Professional and Technical Services	1,801.91	1,779.54	2,267.78	53,838.51				59,687.74
Purchased Professional Educational Services				4,618.00				4,618.00
Purchased Property Services			278.58	36,809.05				37,087.63
Other Purchased Professional Services	14,784.43	12,092.10	4,824.41	74,404.65				106,105.59
Telephone			3,570.80	3,106.63				6,677.43
Travel	3,555.57	358.67	8,064.31	12,024.59				24,003.14
Supplies and Materials	165.05	3,655.28	8,041.16	7,535.20				19,396.69
Equipment								-
Indirect Costs		8,563.00	21,648.00	29,345.00				59,556.00
Miscellaneous Expenditures								-
<b>Total Support Services</b>	<b>162,421.83</b>	<b>52,303.37</b>	<b>491,112.20</b>	<b>641,496.94</b>	<b>1,287.42</b>	<b>2,202.58</b>	<b>45.90</b>	<b>1,350,870.24</b>
<b>Total Expenditures</b>	<b>\$ 215,826.52</b>	<b>\$ 136,611.72</b>	<b>\$ 583,266.61</b>	<b>\$ 1,007,454.35</b>	<b>\$ 17,326.25</b>	<b>\$ 32,266.07</b>	<b>\$ 5,579.20</b>	<b>\$ 1,998,330.72</b>

(Continued)

**Gloucester County Special Services School District**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward	Education Foundation Community	School Based Youth Services Donations	School Based Youth Services 2012	NJSBAIG	McDonald's Charities	Total
<b>REVENUES:</b>							
State Sources	-			\$ 297,105.00			\$ 297,105.00
Federal Sources	\$ 1,943,159.20						1,943,159.20
Other Sources	<u>55,171.52</u>	<u>\$ 7,970.10</u>	<u>\$ 611.00</u>		<u>\$ 26,640.00</u>	<u>\$ 10,846.70</u>	<u>101,239.32</u>
Total Revenues	<u>1,998,330.72</u>	<u>7,970.10</u>	<u>611.00</u>	<u>297,105.00</u>	<u>26,640.00</u>	<u>10,846.70</u>	<u>2,341,503.52</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	261,531.32	7,720.00					269,251.32
Purchased Professional & Technical Services	138.00						138.00
Other Purchased Services	252,849.48						252,849.48
General Supplies	131,118.68						131,118.68
Other Objects	580.00						580.00
Miscellaneous	<u>1,243.00</u>						<u>1,243.00</u>
Total Instruction	<u>647,460.48</u>	<u>7,720.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,180.48</u>
<b>Support Services:</b>							
Salaries Supervisors of Instruction	756,355.44						756,355.44
Salaries of Other Professional Staff	-			274,723.44			274,723.44
Employee Benefits	277,382.58	250.10		13,481.56			291,114.24
Purchased Professional and Technical Services	59,687.74				6,207.00		65,894.74
Purchased Professional Educational Services	4,618.00		600.00	600.00			5,818.00
Purchased Property Services	37,087.63						37,087.63
Other Purchased Professional Services	106,105.59			931.93			107,037.52
Telephone	6,677.43						6,677.43
Travel	24,003.14			1,130.28			25,133.42
Supplies and Materials	19,396.69			2,172.25	20,433.00		42,001.94
Equipment	-					10,846.70	10,846.70
Indirect Costs	59,556.00						59,556.00
Miscellaneous Expenditures	<u>-</u>		<u>11.00</u>	<u>4,065.54</u>			<u>4,076.54</u>
Total Support Services	<u>1,350,870.24</u>	<u>250.10</u>	<u>611.00</u>	<u>297,105.00</u>	<u>26,640.00</u>	<u>10,846.70</u>	<u>1,686,323.04</u>
Total Expenditures	<u>\$ 1,998,330.72</u>	<u>\$ 7,970.10</u>	<u>\$ 611.00</u>	<u>\$ 297,105.00</u>	<u>\$ 26,640.00</u>	<u>\$ 10,846.70</u>	<u>\$ 2,341,503.52</u>

CAPITAL PROJECTS FUND

**Gloucester County Special Services School District**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2012

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(a) Bankbridge Schools Facade Project	5/1/11	<u>\$ 330,000.00</u>	<u>\$ 102,545.53</u>	<u>\$ 184,439.24</u>	<u>\$ 43,015.23</u>
Reserved for Encumbrances					<u>\$ 43,015.23</u>

**Gloucester County Special Services School District**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance - Budgetary Basis  
 From Inception and for the Year Ended June 30, 2012

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<b>Expenditures and Other Financing Uses</b>	
Purchased Professional and Technical Services	\$ 38,894.84
Construction Services	145,544.40
Cancellation of Project Balances	<u>243,381.99</u>
Total Expenditures and Other Financing Uses	<u>427,821.23</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(427,821.23)
Fund Balance, June 30, 2011	<u>470,836.46</u>
Fund Balance, June 30, 2012	<u><u>\$ 43,015.23</u></u>

**Gloucester County Special Services School District**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
 Bankbridge Schools Façade Project  
 From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
County Funds	\$ 330,000.00		\$ 330,000.00	\$ 330,000.00
Total Revenues and Other Financing Sources	<u>330,000.00</u>	<u>-</u>	<u>330,000.00</u>	<u>330,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	54,477.43	\$ 38,894.84	93,372.27	95,000.00
Construction Services	48,068.10	145,544.40	193,612.50	235,000.00
Total Expenditures and Other Financing Uses	<u>102,545.53</u>	<u>184,439.24</u>	<u>286,984.77</u>	<u>330,000.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 227,454.47</u>	<u>\$ (184,439.24)</u>	<u>\$ 43,015.23</u>	<u>\$ -</u>
<b>Additional Project Information</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	N/A			
Additional Authorized Cost	N/A			
Revised Authorization Cost	N/A			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	86.97%			
Original Target Completion Date	6/30/2012			
Revised Target Completion Date	N/A			

PROPRIETARY FUNDS

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	Food Service Fund	Other Funds Exhibit G-1c	Total
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 178,846.34	\$ 7,228,147.02	\$ 7,406,993.36
Accounts Receivable		24,628.00	24,628.00
Intergovernmental Accounts Receivable:			
State	237.04		237.04
Federal	10,203.76		10,203.76
Other		3,541,896.71	3,541,896.71
Interfund Accounts Receivable		61,960.00	61,960.00
Net, Capital Assets	33,288.66	362,246.39	395,535.05
Inventories	4,338.35		4,338.35
	<u>226,914.15</u>	<u>11,218,878.12</u>	<u>11,445,792.27</u>
Total Assets			
<b>LIABILITIES:</b>			
Cash Deficit		335,641.65	335,641.65
Accounts Payable		62,876.45	62,876.45
Deferred Revenues		2,400.00	2,400.00
		<u>400,918.10</u>	<u>400,918.10</u>
Total Liabilities			
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	33,288.66	362,246.39	395,535.05
Unrestricted	193,625.49	10,455,713.63	10,649,339.12
	<u>226,914.15</u>	<u>10,817,960.02</u>	<u>11,044,874.17</u>
Total Net Assets			

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	<u>GRESS</u>	<u>ACT</u>	<u>Non Public Services</u>	<u>Student Residency Investigation</u>	<u>GCC Roadrunner Café</u>	<u>One on One Teachers Assistants</u>	<u>Safe School Program</u>	<u>Total Carried Forward</u>
<b>ASSETS:</b>								
Cash & Cash Equivalents	\$ 1,762,325.04			\$ 8,624.73		\$ 2,662,734.84	\$ 12,589.30	\$ 4,446,273.91
Accounts Receivable								
Intergovernmental Accounts Receivable:								
Other	1,161,090.79		\$ 314,596.30			535,136.52		2,010,823.61
Interfund Accounts Receivable							61,960.00	61,960.00
Net, Capital Assets	<u>49,347.43</u>		<u>277,043.45</u>					<u>326,390.88</u>
Total Assets	<u>2,972,763.26</u>		<u>591,639.75</u>	<u>8,624.73</u>		<u>3,197,871.36</u>	<u>74,549.30</u>	<u>6,845,448.40</u>
<b>LIABILITIES:</b>								
Cash Deficit		\$ 78,172.89	27,907.31		\$ 40,908.86			146,989.06
Accounts Payable	33,652.75		17,091.87		3,236.77	802.53	27.07	54,810.99
Deferred Revenues								
Total Liabilities	<u>33,652.75</u>	<u>78,172.89</u>	<u>44,999.18</u>		<u>44,145.63</u>	<u>802.53</u>	<u>27.07</u>	<u>201,800.05</u>
<b>NET ASSETS:</b>								
Invested in Capital Assets, Net of Related Debt	49,347.43		277,043.45					326,390.88
Unrestricted	<u>2,889,763.08</u>	<u>(78,172.89)</u>	<u>269,597.12</u>	<u>8,624.73</u>	<u>(44,145.63)</u>	<u>3,197,068.83</u>	<u>74,522.23</u>	<u>6,317,257.47</u>
Total Net Assets	<u>\$ 2,939,110.51</u>	<u>\$ (78,172.89)</u>	<u>\$ 546,640.57</u>	<u>\$ 8,624.73</u>	<u>\$ (44,145.63)</u>	<u>\$ 3,197,068.83</u>	<u>\$ 74,522.23</u>	<u>\$ 6,643,648.35</u>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	Total Brought Forward	Therapeutic Recreation Program	Auxiliary Services	Cooperative Transportation Project	Employee Assistance Program	Nonpublic Textbook Publishing	Additional Remedial Services Chapter I	Total Carried Forward
<b>ASSETS:</b>								
Cash & Cash Equivalents	\$ 4,446,273.91	\$ 140,410.25	\$ 192,883.75		\$ 66,911.97	\$ 136,815.52	\$ 803,812.80	\$ 5,787,108.20
Accounts Receivable								
Intergovernmental Accounts Receivable:								
Other	2,010,823.61		1,140.00	\$ 1,248,161.85	6,450.00		235,652.15	3,502,227.61
Interfund Accounts Receivable	61,960.00							61,960.00
Net, Capital Assets	<u>326,390.88</u>	<u>963.39</u>		<u>25,469.42</u>				<u>352,823.69</u>
Total Assets	<u>6,845,448.40</u>	<u>141,373.64</u>	<u>194,023.75</u>	<u>1,273,631.27</u>	<u>73,361.97</u>	<u>136,815.52</u>	<u>1,039,464.95</u>	<u>9,704,119.50</u>
<b>LIABILITIES:</b>								
Cash Deficit	146,989.06			188,652.59				335,641.65
Accounts Payable	54,810.99	456.00		4,406.61		327.26	912.86	60,913.72
Deferred Revenues		<u>2,400.00</u>						<u>2,400.00</u>
Total Liabilities	<u>201,800.05</u>	<u>2,856.00</u>		<u>193,059.20</u>		<u>327.26</u>	<u>912.86</u>	<u>398,955.37</u>
<b>NET ASSETS:</b>								
Invested in Capital Assets, Net of Related Debt	326,390.88	963.39		25,469.42				352,823.69
Unrestricted	<u>6,317,257.47</u>	<u>137,554.25</u>	<u>194,023.75</u>	<u>1,055,102.65</u>	<u>73,361.97</u>	<u>136,488.26</u>	<u>1,038,552.09</u>	<u>8,952,340.44</u>
Total Net Assets	<u>\$ 6,643,648.35</u>	<u>\$ 138,517.64</u>	<u>\$ 194,023.75</u>	<u>\$ 1,080,572.07</u>	<u>\$ 73,361.97</u>	<u>\$ 136,488.26</u>	<u>\$ 1,038,552.09</u>	<u>\$ 9,305,164.13</u>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	Total Brought Forward	Summer Food Service	Goals for Youth Program	Together Shelter Homeless Instruction	Computer Services	Total
<b>ASSETS:</b>						
Cash & Cash Equivalents	\$ 5,787,108.20	\$ 2,222.89	\$ 57,624.67	\$ 82,595.44	\$ 1,298,595.82	\$ 7,228,147.02
Accounts Receivable				24,628.00		24,628.00
Intergovernmental Accounts Receivable:						
Other	3,502,227.61		9,998.00	13,755.00	15,916.10	3,541,896.71
Interfund Accounts Receivable	61,960.00					61,960.00
Net, Capital Assets	<u>352,823.69</u>				<u>9,422.70</u>	<u>362,246.39</u>
Total Assets	<u>9,704,119.50</u>	<u>2,222.89</u>	<u>67,622.67</u>	<u>120,978.44</u>	<u>1,323,934.62</u>	<u>11,218,878.12</u>
<b>LIABILITIES:</b>						
Cash Deficit	335,641.65					335,641.65
Accounts Payable	60,913.72	1,908.90	53.83			62,876.45
Deferred Revenues	<u>2,400.00</u>					<u>2,400.00</u>
Total Liabilities	<u>398,955.37</u>	<u>1,908.90</u>	<u>53.83</u>			<u>400,918.10</u>
<b>NET ASSETS:</b>						
Invested in Capital Assets, Net of Related Debt	352,823.69				9,422.70	362,246.39
Unrestricted	<u>8,952,340.44</u>	<u>313.99</u>	<u>67,568.84</u>	<u>120,978.44</u>	<u>1,314,511.92</u>	<u>10,455,713.63</u>
Total Net Assets	<u>\$ 9,305,164.13</u>	<u>\$ 313.99</u>	<u>\$ 67,568.84</u>	<u>\$ 120,978.44</u>	<u>\$ 1,323,934.62</u>	<u>\$ 10,817,960.02</u>

**Gloucester County Special Services School District**  
 Enterprise Fund  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Other Funds Exhibit G-2b	Total
<b>OPERATING REVENUES:</b>			
Local Sources			
Daily Sales - Non-Reimbursable Programs	\$ 187,088.65		\$ 187,088.65
Special Functions	32,568.86		32,568.86
County Tax Levy		\$ 63,867.00	63,867.00
Fees for Services		24,789,739.10	24,789,739.10
<b>Total Operating Revenues</b>	<b>219,657.51</b>	<b>24,853,606.10</b>	<b>25,073,263.61</b>
<b>OPERATING EXPENSES:</b>			
Cost of Goods Sold	205,048.61	145,972.48	351,021.09
Salaries		10,418,059.56	10,418,059.56
Employee Benefits		4,266,773.66	4,266,773.66
Purchased Professional/Educational Services		1,437.50	1,437.50
Purchased Professional/Professional Services		94,153.26	94,153.26
Purchased Professional/Technical Services		165,541.41	165,541.41
Purchased Professional/Shared Services		1,092,655.07	1,092,655.07
Other Purchased Services		116,642.61	116,642.61
Contracted Services	24,097.50	7,577,434.25	7,601,531.75
Printing and Binding		13,092.14	13,092.14
Commercial Liability		38,650.00	38,650.00
Utilities		26,391.89	26,391.89
Postage Expense		348.17	348.17
Miscellaneous Purchased Services	191,349.53	-	191,349.53
Operations and Maintenance		3,055.03	3,055.03
Travel		22,390.74	22,390.74
Supplies and Materials	18,303.32	76,823.77	95,127.09
Textbooks		83,344.15	83,344.15
Non-Instructional Equipment		1,500.00	1,500.00
Miscellaneous Expenditures	624.59	71,279.08	71,903.67
Rental of Land and Buildings		19,350.00	19,350.00
Depreciation	4,727.99	73,406.76	78,134.75
<b>Total Operating Expenses</b>	<b>444,151.54</b>	<b>24,308,301.53</b>	<b>24,752,453.07</b>
<b>Operating Gain/ (Loss)</b>	<b>(224,494.03)</b>	<b>545,304.57</b>	<b>320,810.54</b>

(Continued)

**Gloucester County Special Services School District**  
 Enterprise Fund  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Other Funds <u>Exhibit G-2b</u>	<u>Total</u>
NONOPERATING REVENUES (EXPENSES):			
Local Source:			
State Source:			
State School Lunch Program	\$ 4,655.56		\$ 4,655.56
Federal Source:			
National School Lunch Program	123,223.15		123,223.15
National School Breakfast Program	68,724.48		68,724.48
Food Distribution Program	18,871.47		18,871.47
Refund of Prior Year Revenue		\$ (3,761.59)	(3,761.59)
Loss on Disposal of Fixed Assets		(2,291.30)	(2,291.30)
Cancellation of Prior Year Payable		2,214.05	2,214.05
Cancellation of Prior Year Receivable		(10,193.51)	(10,193.51)
Total Nonoperating Revenues (Expenses)	<u>215,474.66</u>	<u>(14,032.35)</u>	<u>201,442.31</u>
Change in Net Assets	(9,019.37)	531,272.22	522,252.85
Net Assets -- July 1	<u>235,933.52</u>	<u>10,286,687.80</u>	<u>10,522,621.32</u>
Net Assets -- June 30	<u>\$ 226,914.15</u>	<u>\$ 10,817,960.02</u>	<u>\$ 11,044,874.17</u>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

OPERATING REVENUES:	CRESS	ACT	Non Public Services	Student Residency Investigation	GCC Roadrunner Café	One on One Teachers Assistants	Safe School Program	Therapeutic Recreation Program	Auxiliary Services	Total Carried Forward
Local Sources										
County Tax Levy							\$ 63,867.00			\$ 63,867.00
Fees for Services	\$7,485,654.82	\$ 10,430.00	\$1,797,046.53	\$ 2,596.54	\$ 311,786.81	\$5,159,558.00	36,400.00	\$ 65,690.00	\$ 33,820.00	14,902,982.70
<b>Total Operating Revenues</b>	<b>7,485,654.82</b>	<b>10,430.00</b>	<b>1,797,046.53</b>	<b>2,596.54</b>	<b>311,786.81</b>	<b>5,159,558.00</b>	<b>100,267.00</b>	<b>65,690.00</b>	<b>33,820.00</b>	<b>14,966,849.70</b>
<b>OPERATING EXPENSES:</b>										
Cost of Goods Sold					145,972.48					145,972.48
Salaries	5,476,837.40	108,528.60	1,168,577.05		121,022.43	2,469,809.22	87,700.00		26,725.00	9,459,199.70
Employee Benefits	1,257,982.72	22,226.70	267,069.37		45,411.53	2,189,124.34	20,101.99		2,234.58	3,804,151.23
Purchased Professional/Educational Services			1,187.50							1,187.50
Purchased Professional/Professional Services			14,629.00	1,687.24				6,075.00		22,391.24
Purchased Professional/Technical Services	351.96		19,501.45							19,853.41
Purchased Professional/Shared Services	292,655.07					312,775.00				605,430.07
Other Purchased Services	288.04		2,621.58							2,909.62
Contracted Services								12,028.00		12,028.00
Printing/Binding			442.83							442.83
Commercial Liability			14,000.00			10,000.00				24,000.00
Utilities	5,053.06		7,415.10				324.60			12,792.76
Postage Expense	345.76									345.76
Operations and Maintenance	1,433.34		926.65		695.04					3,055.03
Travel	12,965.78		3,823.37				173.29			16,962.44
Supplies and Materials	43,274.85	74.99	13,525.45		151.30			1,512.76		58,539.35
Textbooks			82,252.15							82,252.15
Non-Instructional Equipment			1,500.00							1,500.00
Miscellaneous Expenditures	10,575.03							59,041.00		69,616.03
Rental of Land and Buildings			19,350.00							19,350.00
Depreciation	7,748.11		50,937.39					428.16		59,113.66
<b>Total Operating Expenses</b>	<b>7,109,511.12</b>	<b>130,830.29</b>	<b>1,667,758.89</b>	<b>1,687.24</b>	<b>313,252.78</b>	<b>4,981,708.56</b>	<b>108,299.88</b>	<b>79,084.92</b>	<b>28,959.58</b>	<b>14,421,093.26</b>
Operating Gain/ (Loss)	376,143.70	(120,400.29)	129,287.64	909.30	(1,465.97)	177,849.44	(8,032.88)	(13,394.92)	4,860.42	545,756.44
<b>NONOPERATING REVENUES (EXPENSES):</b>										
Local Source:										
Prior Year Revenue										-
Refund of Prior Year Revenue	(638.00)					(2,100.00)				(2,738.00)
Cancellation of Prior Year Payable	1,951.30		262.75							2,214.05
Cancellation of Prior Year Receivable	(3,045.74)		(2,572.77)			(3,300.00)	(1,275.00)			(10,193.51)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,732.44)</b>	<b>-</b>	<b>(2,310.02)</b>	<b>-</b>	<b>-</b>	<b>(5,400.00)</b>	<b>(1,275.00)</b>	<b>-</b>	<b>-</b>	<b>(10,717.46)</b>
<b>Change in Net Assets</b>	<b>374,411.26</b>	<b>(120,400.29)</b>	<b>126,977.62</b>	<b>909.30</b>	<b>(1,465.97)</b>	<b>172,449.44</b>	<b>(9,307.88)</b>	<b>(13,394.92)</b>	<b>4,860.42</b>	<b>535,038.98</b>
Net Assets -- July 1	2,564,699.25	42,227.40	419,662.95	7,715.43	(42,679.66)	3,024,619.39	83,830.11	151,912.56	189,163.33	6,441,150.76
<b>Net Assets -- June 30</b>	<b>\$2,939,110.51</b>	<b>\$ (78,172.89)</b>	<b>546,640.57</b>	<b>\$ 8,624.73</b>	<b>\$ (44,145.63)</b>	<b>\$3,197,068.83</b>	<b>\$ 74,522.23</b>	<b>\$ 138,517.64</b>	<b>\$ 194,023.75</b>	<b>\$6,976,189.74</b>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

OPERATING REVENUES:	Total Brought Forward	Cooperative Transportation Project	Employee Assistance Program	Nonpublic Textbook Publishing	Additional Remedial Services Chapter I	Summer Food Service	Goals for Youth Program	Together Shelter Homeless Instruction	Computer Services	Total
Local Sources										
County Tax Levy	\$ 63,867.00									\$ 63,867.00
Fees for Services	<u>14,902,982.70</u>	<u>\$8,150,719.68</u>	<u>\$ 81,960.00</u>	<u>\$ 8,225.21</u>	<u>\$ 560,435.09</u>	<u>\$ 98,302.89</u>	<u>\$ 9,998.00</u>	<u>\$ 55,393.00</u>	<u>\$ 921,722.53</u>	<u>24,789,739.10</u>
Total Operating Revenues	<u>14,966,849.70</u>	<u>8,150,719.68</u>	<u>81,960.00</u>	<u>8,225.21</u>	<u>560,435.09</u>	<u>98,302.89</u>	<u>9,998.00</u>	<u>55,393.00</u>	<u>921,722.53</u>	<u>24,853,606.10</u>
OPERATING EXPENSES:										
Cost of Goods Sold	145,972.48									145,972.48
Salaries	9,459,199.70	186,186.19			478,308.71	11,504.25	4,631.25	23,864.76	254,364.70	10,418,059.56
Employee Benefits	3,804,151.23	77,236.33		83.54	281,730.93	880.65	363.88	3,438.36	98,888.74	4,266,773.66
Purchased Professional/Educational Services	1,187.50	250.00								1,437.50
Purchased Professional/Professional Services	22,391.24		71,762.02							94,153.26
Purchased Professional/Technical Services	19,853.41	2,462.00							143,226.00	165,541.41
Purchased Professional/Shared Services	605,430.07	200,000.00							287,225.00	1,092,655.07
Other Purchased Services	2,909.62								28,365.21	116,642.61
Contracted Services	12,028.00	7,565,406.25					85,367.78			7,577,434.25
Printing/Binding	442.83	2,000.00			6,084.31				4,565.00	13,092.14
Commercial Liability	24,000.00				4,650.00				10,000.00	38,650.00
Utilities	12,792.76	2,410.93			581.61				10,606.59	26,391.89
Postage Expense	345.76								2.41	348.17
Operations and Maintenance	3,055.03									3,055.03
Travel	16,962.44	4,105.82			433.69	236.22	234.70		417.87	22,390.74
Supplies and Materials	58,539.35	5,388.10			608.34		221.93		12,066.05	76,823.77
Textbooks	82,252.15			1,092.00						83,344.15
Non-Instructional Equipment	1,500.00									1,500.00
Miscellaneous Expenditures	69,616.03	500.00					713.05		450.00	71,279.08
Rental of Land and Buildings	19,350.00									19,350.00
Depreciation	59,113.66	2,912.23							11,380.87	73,406.76
Total Operating Expenses	<u>14,421,093.26</u>	<u>8,048,857.85</u>	<u>71,762.02</u>	<u>1,175.54</u>	<u>772,397.59</u>	<u>97,988.90</u>	<u>6,164.81</u>	<u>27,303.12</u>	<u>861,558.44</u>	<u>24,308,301.53</u>
Operating Gain/ (Loss)	<u>545,756.44</u>	<u>101,861.83</u>	<u>10,197.98</u>	<u>7,049.67</u>	<u>(211,962.50)</u>	<u>313.99</u>	<u>3,833.19</u>	<u>28,089.88</u>	<u>60,164.09</u>	<u>545,304.57</u>
NONOPERATING REVENUES (EXPENSES):										
Local Source:										
Prior Year Revenue	-	(2,291.30)								(2,291.30)
Refund of Prior Year Revenue	(2,738.00)	(1,023.59)								(3,761.59)
Cancellation of Prior Year Payable	2,214.05									2,214.05
Cancellation of Prior Year Receivable	(10,193.51)									(10,193.51)
Total Nonoperating Revenues (Expenses)	<u>(10,717.46)</u>	<u>(3,314.89)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,032.35)</u>
Change in Net Assets	<u>535,038.98</u>	<u>98,546.94</u>	<u>10,197.98</u>	<u>7,049.67</u>	<u>(211,962.50)</u>	<u>313.99</u>	<u>3,833.19</u>	<u>28,089.88</u>	<u>60,164.09</u>	<u>531,272.22</u>
Net Assets -- July 1	<u>6,441,150.76</u>	<u>982,025.13</u>	<u>63,163.99</u>	<u>129,438.59</u>	<u>1,250,514.59</u>	<u>-</u>	<u>63,735.65</u>	<u>92,888.56</u>	<u>1,263,770.53</u>	<u>10,286,687.80</u>
Net Assets -- June 30	<u>\$6,976,189.74</u>	<u>\$1,080,572.07</u>	<u>\$ 73,361.97</u>	<u>\$ 136,488.26</u>	<u>\$1,038,552.09</u>	<u>\$ 313.99</u>	<u>\$ 67,568.84</u>	<u>\$ 120,978.44</u>	<u>\$1,323,934.62</u>	<u>\$10,817,960.02</u>

**Gloucester County Special Services School District**  
 Enterprise Fund  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Other Funds Exhibit G-3c	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 220,384.40	\$ 24,769,507.68	\$ 24,989,892.08
Payments to Employees		(9,246,316.30)	(9,246,316.30)
Payments for Employee Benefits		(4,266,773.66)	(4,266,773.66)
Payments to Vendors	<u>(422,932.60)</u>	<u>(10,800,823.33)</u>	<u>(11,223,755.93)</u>
Net Cash Provided by (used for) Operating Activities	<u>(202,548.20)</u>	<u>455,594.39</u>	<u>253,046.19</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Prior Year Revenue		(5,591.30)	(5,591.30)
Refund of Prior Year Overpayments		(1,661.59)	(1,661.59)
Refund of Prior Year Revenue		(5,145.74)	(5,145.74)
Cancellation of Prior Year Payable		1,951.30	1,951.30
Cash Received from State & Federal Reimbursements	<u>186,162.39</u>	<u></u>	<u>186,162.39</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>186,162.39</u>	<u>(10,447.33)</u>	<u>175,715.06</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,385.81)	445,147.06	428,761.25
Cash and Cash Equivalents -- July 1	<u>195,232.15</u>	<u>6,447,358.31</u>	<u>6,642,590.46</u>
Cash and Equivalents -- June 30	<u>\$ 178,846.34</u>	<u>\$ 6,892,505.37</u>	<u>\$ 7,071,351.71</u>
<u>Analysis of Cash Balance at June 30</u>			
Cash and Equivalents	\$ 178,846.34	\$ 7,228,147.02	\$ 7,406,993.36
Cash Deficit		<u>(335,641.65)</u>	<u>(335,641.65)</u>
	<u>\$ 178,846.34</u>	<u>\$ 6,892,505.37</u>	<u>\$ 7,071,351.71</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ (224,494.03)	\$ 542,994.55	\$ 318,500.52
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Change in Assets & Liabilities:			
Depreciation	4,727.99	73,406.76	78,134.75
Food Distribution Program	18,871.47		18,871.47
(Increase)/Decrease in Fixed Assets		(76,207.50)	(76,207.50)
(Increase)/Decrease in Other Accounts Receivable	726.89	(80,001.65)	(79,274.76)
(Increase)/Decrease in Inventory	(464.35)		(464.35)
Increase/(Decrease) in Accounts Payable	(1,916.17)	(3,073.77)	(4,989.94)
Increase/(Decrease) in Deferred Revenue		<u>(1,524.00)</u>	<u>(1,524.00)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (202,548.20)</u>	<u>\$ 455,594.39</u>	<u>\$ 253,046.19</u>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	<u>GRESS</u>	<u>ACT</u>	<u>Non Public Services</u>	<u>Student Residency Investigation</u>	<u>One on One Teachers Assistants</u>	<u>GCC Roadrunner Café</u>	<u>Total Carried Forward</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from Customers	\$ 7,410,938.13	\$ 10,430.00	\$ 1,757,209.45	\$ 2,596.54	\$ 5,339,349.25	\$ 311,786.81	\$ 14,832,310.18
Payments to Employees	(5,476,837.40)	(108,528.60)			(2,469,809.22)	(121,022.43)	(8,176,197.65)
Payments for Employee Benefits	(1,257,982.72)	(22,226.70)	(267,069.37)		(2,189,124.34)	(45,411.53)	(3,781,814.66)
Payments to Suppliers	(393,781.68)	(74.99)	(1,384,704.49)	(1,687.24)	(321,972.47)	(147,117.85)	(2,249,338.72)
Net Cash Used in Operating Activities	<u>282,336.33</u>	<u>(120,400.29)</u>	<u>105,435.59</u>	<u>909.30</u>	<u>358,443.22</u>	<u>(1,765.00)</u>	<u>624,959.15</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>							
Prior Year Revenue Receivable Cancelled					(3,300.00)		(3,300.00)
Refund Prior Year Overpayments	(638.00)						(638.00)
Cancellation of Prior Year Revenue	(3,045.74)				(2,100.00)		(5,145.74)
Cancellation of Prior Year Payable	1,951.30						1,951.30
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(1,732.44)</u>				<u>(5,400.00)</u>		<u>(7,132.44)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	280,603.89	(120,400.29)	105,435.59	909.30	353,043.22	(1,765.00)	617,826.71
Cash and Cash Equivalents -- July 1	<u>1,481,721.15</u>	<u>42,227.40</u>	<u>(133,342.90)</u>	<u>7,715.43</u>	<u>2,309,691.62</u>	<u>(39,143.86)</u>	<u>3,668,868.84</u>
Cash and Equivalents -- June 30	<u>\$ 1,762,325.04</u>	<u>\$ (78,172.89)</u>	<u>(27,907.31)</u>	<u>\$ 8,624.73</u>	<u>\$ 2,662,734.84</u>	<u>\$ (40,908.86)</u>	<u>\$ 4,286,695.55</u>
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>							
Operating Income/(Loss)	\$ 376,143.70	\$ (120,400.29)	\$ 126,977.62	\$ 909.30	\$ 177,849.44	\$ (1,465.97)	\$ 560,013.80
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:							
Change in Assets & Liabilities:							
Depreciation	7,748.11		50,937.39				58,685.50
(Increase)/Decrease in Fixed Assets	(13,902.50)		(41,198.00)				(55,100.50)
(Increase)/Decrease in Accounts Receivable	(71,227.69)		(37,264.31)		179,791.25		71,299.25
Increase/(Decrease) in Accounts Payable	(12,936.29)		5,982.89		802.53	(299.03)	(6,449.90)
Increase/(Decrease) in Deferred Revenue	(3,489.00)						(3,489.00)
Net Cash Used in Operating Activities	<u>\$ 282,336.33</u>	<u>\$ (120,400.29)</u>	<u>\$ 105,435.59</u>	<u>\$ 909.30</u>	<u>\$ 358,443.22</u>	<u>\$ (1,765.00)</u>	<u>\$ 624,959.15</u>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	<u>Total Brought Forward</u>	<u>Safe School Program</u>	<u>Therapeutic Recreation Program</u>	<u>Auxiliary Services</u>	<u>Cooperative Transportation Project</u>	<u>Employee Assistance Program</u>	<u>Total Carried Forward</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from Customers	\$ 14,832,310.18	\$ 105,417.00	\$ 67,655.00	\$ 33,820.00	\$ 8,025,880.31	\$ 75,510.00	\$ 23,140,592.49
Payments to Employees	(8,176,197.65)	(87,700.00)		(27,155.60)	(182,589.38)		(8,473,642.63)
Payments for Employee Benefits	(3,781,814.66)	(20,101.99)		(2,234.58)	(77,236.33)		(3,881,387.56)
Payments to Suppliers	<u>(2,249,338.72)</u>	<u>(470.82)</u>	<u>(78,200.76)</u>		<u>(7,803,630.1)</u>	<u>(71,762.02)</u>	<u>(10,203,402.42)</u>
Net Cash Used in Operating Activities	<u>624,959.15</u>	<u>(2,855.81)</u>	<u>(10,545.76)</u>	<u>4,429.82</u>	<u>(37,575.50)</u>	<u>3,747.98</u>	<u>582,159.88</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>							
Prior Year Revenue Receivable Cancelled	(3,300.00)				(2,291.30)		(5,591.30)
Refund Prior Year Overpayments	(638.00)				(1,023.59)		(1,661.59)
Cancellation of Prior Year Revenue	(5,145.74)						(5,145.74)
Cancellation of Prior Year Payable	<u>1,951.30</u>						<u>1,951.30</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(7,132.44)</u>				<u>(3,314.89)</u>		<u>(10,447.33)</u>
Net Decrease in Cash and Cash Equivalents	617,826.71	(2,855.81)	(10,545.76)	4,429.82	(40,890.39)	3,747.98	571,712.55
Cash and Cash Equivalents -- July 1	<u>3,668,868.84</u>	<u>15,445.11</u>	<u>150,956.01</u>	<u>188,453.93</u>	<u>(147,762.20)</u>	<u>63,163.99</u>	<u>3,939,125.68</u>
Cash and Equivalents -- June 30	<u>\$ 4,286,695.55</u>	<u>\$ 12,589.30</u>	<u>\$ 140,410.25</u>	<u>\$ 192,883.75</u>	<u>\$ (188,652.59)</u>	<u>\$ 66,911.97</u>	<u>\$ 4,510,838.23</u>
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>							
Operating Income/(Loss)	\$ 560,013.80	\$ (8,032.88)	\$ (13,394.92)	\$ 4,860.42	\$ 101,861.83	\$ 10,197.98	\$ 655,506.23
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:							
Change in Assets & Liabilities:							
Depreciation	58,685.50		428.16		2,912.23		62,025.89
(Increase)/Decrease in Fixed Assets	(55,100.50)				(21,107.00)		(76,207.50)
(Increase)/Decrease in Accounts Receivable	71,299.25	5,150.00			(124,839.37)	(6,450.00)	(54,840.12)
Increase/(Decrease) in Accounts Payable	(6,449.90)	27.07	456.00	(430.60)	3,596.81		(2,800.62)
Increase/(Decrease) in Deferred Revenue	<u>(3,489.00)</u>		<u>1,965.00</u>				<u>(1,524.00)</u>
Net Cash Used in Operating Activities	<u>\$ 624,959.15</u>	<u>\$ (2,855.81)</u>	<u>\$ (10,545.76)</u>	<u>\$ 4,429.82</u>	<u>\$ (37,575.50)</u>	<u>\$ 3,747.98</u>	<u>\$ 582,159.88</u>

(Continued)

**Gloucester County Special Services School District**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward	Nonpublic Textbook Publishing	Additional Remedial Services Chapter I	Summer Food Service	Goals for Youth Program	Together Shelter Homeless Instruction	Computer Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Receipts from Customers	\$ 23,140,592.49	\$ 8,672.26	\$ 595,063.61	\$ 98,302.89	-	\$ 18,830.00	\$ 908,046.43	\$ 24,769,507.68
Payments to Employees	(8,473,642.63)		(478,308.71)	(11,504.25)	\$ (4,631.25)	(23,864.76)	(254,364.70)	(9,246,316.30)
Payments for Employee Benefits	(3,881,387.56)	(83.54)	(281,730.93)	(880.65)	(363.88)	(3,438.36)	(98,888.74)	(4,266,773.66)
Payments to Suppliers	(10,203,402.42)	(1,290.07)	(11,732.36)	(83,695.1)	(1,115.85)		(499,587.53)	(10,800,823.33)
Net Cash Used in Operating Activities	<u>582,159.88</u>	<u>7,298.65</u>	<u>(176,708.39)</u>	<u>2,222.89</u>	<u>(6,110.98)</u>	<u>(8,473.12)</u>	<u>55,205.46</u>	<u>455,594.39</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>								
Prior Year Revenue Receivable Cancelled	(5,591.30)							(5,591.30)
Refund Prior Year Overpayments	(1,661.59)							(1,661.59)
Cancellation of Prior Year Revenue	(5,145.74)							(5,145.74)
Cancellation of Prior Year Payable	1,951.30							1,951.30
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(10,447.33)</u>							<u>(10,447.33)</u>
Net Decrease in Cash and Cash Equivalents	571,712.55	7,298.65	(176,708.39)	2,222.89	(6,110.98)	(8,473.12)	55,205.46	445,147.06
Cash and Cash Equivalents -- July 1	<u>3,939,125.68</u>	<u>129,516.87</u>	<u>980,521.19</u>		<u>63,735.65</u>	<u>91,068.56</u>	<u>1,243,390.36</u>	<u>6,447,358.31</u>
Cash and Equivalents -- June 30	<u>\$ 4,510,838.23</u>	<u>\$ 136,815.52</u>	<u>\$ 803,812.80</u>	<u>\$ 2,222.89</u>	<u>\$ 57,624.67</u>	<u>\$ 82,595.44</u>	<u>\$ 1,298,595.82</u>	<u>\$ 6,892,505.37</u>
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities:</b>								
Operating Income/(Loss)	\$ 655,506.23	\$ 7,049.67	\$(211,962.50)	\$ 313.99	\$ 3,833.19	\$ 28,089.88	\$ 60,164.09	\$ 542,994.55
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:								
Change in Assets & Liabilities:								
Depreciation	62,025.89						11,380.87	73,406.76
(Increase)/Decrease in Fixed Assets	(76,207.50)							(76,207.50)
(Increase)/Decrease in Accounts Receivable	(54,840.12)	447.05	34,628.52		(9,998.00)	(36,563.00)	(13,676.10)	(80,001.65)
Increase/(Decrease) in Accounts Payable	(2,800.62)	(198.07)	625.59	1,908.90	53.83		(2,663.40)	(3,073.77)
Increase/(Decrease) in Deferred Revenue	(1,524.00)							(1,524.00)
Net Cash Used in Operating Activities	<u>\$ 582,159.88</u>	<u>\$ 7,298.65</u>	<u>\$(176,708.39)</u>	<u>\$ 2,222.89</u>	<u>\$ (6,110.98)</u>	<u>\$ (8,473.12)</u>	<u>\$ 55,205.46</u>	<u>\$ 455,594.39</u>

**Gloucester County Special Services School District**  
 Internal Service Fund  
 Combining Statement of Net Assets  
 June 30, 2012

	<u>Shared Services</u>	<u>Total</u>
<b>ASSETS:</b>		
Cash & Cash Equivalents	\$ -	\$ -
Total Assets	-	-
<b>LIABILITIES:</b>		
Total Liabilities	-	-
<b>NET ASSETS:</b>		
Total Net Assets	\$ -	\$ -

**Gloucester County Special Services School District**  
 Internal Service Fund  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 For the Fiscal Year Ended June 30, 2012

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	<u>Shared Services</u>	<u>Total</u>
OPERATING REVENUES:		
Charges for Services	<u>\$ 1,597,280.07</u>	<u>\$ 1,597,280.07</u>
Total Operating Revenues	<u>1,597,280.07</u>	<u>1,597,280.07</u>
OPERATING EXPENSES:		
Salaries	<u>1,597,280.07</u>	<u>1,597,280.07</u>
Total Operating Expenses	<u>1,597,280.07</u>	<u>1,597,280.07</u>
Operating Income/ (Loss)	<u>-</u>	<u>-</u>
Change in Net Assets	-	-
Net Assets -- July 1	<u>-</u>	<u>-</u>
Net Assets -- June 30	<u>\$ -</u>	<u>\$ -</u>

**Gloucester County Special Services School District**  
 Internal Service Fund  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2012

	<u>Shared Services</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Customers and Other Funds	\$ 1,597,280.07	\$ 1,597,280.07
Payments to Employees	<u>(1,597,280.07)</u>	<u>(1,597,280.07)</u>
Net Cash Provided by (used for) Operating Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents -- July 1	<u>-</u>	<u>-</u>
Cash and Equivalents -- June 30	<u>\$ -</u>	<u>\$ -</u>
<u>Analysis of Cash Balance at June 30</u>		
Cash and Equivalents	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

**Gloucester County Special Services School District**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2012

	<u>Expendable Trust Funds</u>		<u>Agency Funds</u>		
	<u>Donations Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 55,124.48	\$ 1,744.33	\$ 234,207.48	\$ 7,324.91	\$ 298,401.20
Total Assets	<u>55,124.48</u>	<u>1,744.33</u>	<u>\$ 234,207.48</u>	<u>\$ 7,324.91</u>	<u>298,401.20</u>
<b>LIABILITIES:</b>					
Due to Student Groups			\$ 234,207.48		\$ 234,207.48
Payroll Deductions and Withholdings				-	-
Interfund Accounts Payable				\$ 7,324.91	7,324.91
Total Liabilities			<u>\$ 234,207.48</u>	<u>\$ 7,324.91</u>	<u>241,532.39</u>
<b>NET ASSETS:</b>					
Reserve for Students	\$ 55,124.48				55,124.48
Reserved for Scholarship Funds		\$ 1,744.33			1,744.33
Total Net Assets	<u>\$ 55,124.48</u>	<u>\$ 1,744.33</u>			<u>\$ 56,868.81</u>

**Gloucester County Special Services School District**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended June 30, 2012

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	<u>Donations</u> <u>Trust</u>	<u>Scholarship</u> <u>Trust</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Refund	\$ 16,200.00		\$ 16,200.00
Interest		\$ 1.83	1.83
Total Additions	16,200.00	1.83	16,201.83
DEDUCTIONS:			
Cash Disbursements	897.90		897.90
Total Deductions	897.90		897.90
Change in Net Assets	15,302.10	1.83	15,303.93
Net Assets, July 1	39,822.38	1,742.50	41,564.88
Net Assets, June 30	\$ 55,124.48	\$ 1,744.33	\$ 56,868.81

**Gloucester County Special Services School District**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Bankbridge Vocational	\$ 91,833.57	\$ 25,739.22	\$ 21,983.85	\$ 95,588.94
Bankbridge Elementary	4,804.62	12,848.20	13,940.91	3,711.91
Bankbridge Regional	5,810.95	957.55	120.00	6,648.50
Bankbridge Development Center	26,613.82	11,369.58	19,688.81	18,294.59
Migrant	1,581.72		275.00	1,306.72
GCSSD - Golf Tournament	1,000.00			1,000.00
Spanish Club	192.00			192.00
Alternative High School	950.59		276.00	674.59
Local Goals for Youth	151.83			151.83
Coke Machine	6,882.30			6,882.30
Miracle League Field	9,467.39	26,699.19	11,603.47	24,563.11
Sean Byrne Fund	17,082.83	58,383.43	22,843.58	52,622.68
Interest Earned	22,348.39	221.92		22,570.31
	<u>\$ 188,720.01</u>	<u>\$ 136,219.09</u>	<u>\$ 90,731.62</u>	<u>\$ 234,207.48</u>
Total	<u>\$ 188,720.01</u>	<u>\$ 136,219.09</u>	<u>\$ 90,731.62</u>	<u>\$ 234,207.48</u>

**Gloucester County Special Services School District**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 53,982.56	\$ 37,889,485.48	\$ 37,936,143.13		\$ 7,324.91
Total Assets	<u>\$ 53,982.56</u>	<u>\$ 37,889,485.48</u>	<u>\$ 37,936,143.13</u>	<u>\$ -</u>	<u>\$ 7,324.91</u>
<b>LIABILITIES:</b>					
Payroll Deductions and Withholdings	\$ 46,166.59	\$ 19,675,164.09	\$ 19,721,802.69	\$ 472.01	-
Accrued Salary and Wages		18,214,020.90	18,214,011.60	(9.30)	-
Interfund Accounts Payable	<u>7,815.97</u>	<u>300.49</u>	<u>328.84</u>	<u>(462.71)</u>	<u>\$ 7,324.91</u>
Total Liabilities	<u>\$ 53,982.56</u>	<u>\$ 37,889,485.48</u>	<u>\$ 37,936,143.13</u>	<u>\$ -</u>	<u>\$ 7,324.91</u>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**Gloucester County Special Services School District**  
 Net Assets by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 32,112,273.04	\$ 32,536,658.16	\$ 32,918,945.03	\$ 32,725,755.10	\$ 32,191,298.10	\$ 30,318,628.79	\$ 23,586,951.56	\$ 21,506,369.52	\$ 21,453,878.00	\$ 21,549,418.00
Restricted	671,006.23	1,097,727.46	806,186.29	1,644,878.86	1,574,442.93	2,967,626.29	11,494,339.57	622,621.88	799,168.00	700,304.00
Unrestricted	<u>4,266,374.13</u>	<u>3,106,737.83</u>	<u>4,555,797.97</u>	<u>3,913,673.05</u>	<u>1,114,955.86</u>	<u>898,867.03</u>	<u>1,209,243.49</u>	<u>1,914,239.21</u>	<u>2,508,179.00</u>	<u>2,307,138.00</u>
<b>Total Governmental Activities Net Assets</b>	<u>\$ 37,049,653.40</u>	<u>\$ 36,741,123.45</u>	<u>\$ 38,280,929.29</u>	<u>\$ 38,284,307.01</u>	<u>\$ 34,880,696.89</u>	<u>\$ 34,185,122.11</u>	<u>\$ 36,290,534.62</u>	<u>\$ 24,043,230.61</u>	<u>\$ 24,761,225.00</u>	<u>\$ 24,556,860.00</u>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 395,535.05	\$ 397,462.30	\$ 124,625.91	\$ 152,619.98	\$ 131,239.54	\$ 199,672.67	\$ 235,879.49	\$ 243,004.47	\$ 71,330.00	\$ 83,218.00
Unrestricted	<u>10,649,339.12</u>	<u>10,125,159.02</u>	<u>9,714,339.99</u>	<u>8,015,246.04</u>	<u>6,598,234.34</u>	<u>6,618,718.13</u>	<u>7,073,366.64</u>	<u>6,224,322.30</u>	<u>6,020,882.00</u>	<u>5,167,961.00</u>
<b>Total Business-type Activities Net Assets</b>	<u>\$ 11,044,874.17</u>	<u>\$ 10,522,621.32</u>	<u>\$ 9,838,965.90</u>	<u>\$ 8,167,866.02</u>	<u>\$ 6,729,473.88</u>	<u>\$ 6,818,390.80</u>	<u>\$ 7,309,246.13</u>	<u>\$ 6,467,326.77</u>	<u>\$ 6,092,212.00</u>	<u>\$ 5,251,179.00</u>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 32,507,808.09	\$ 32,934,120.46	\$ 33,043,570.94	\$ 32,878,375.08	\$ 32,322,537.64	\$ 30,518,301.46	\$ 23,822,831.05	\$ 21,749,373.99	\$ 21,525,208.00	\$ 21,632,636.00
Restricted	671,006.23	1,097,727.46	806,186.29	1,644,878.86	1,574,442.93	2,967,626.29	11,494,339.57	622,621.88	799,168.00	700,304.00
Unrestricted	<u>14,915,713.25</u>	<u>13,231,896.85</u>	<u>14,270,137.96</u>	<u>11,928,919.09</u>	<u>7,713,190.20</u>	<u>7,517,585.16</u>	<u>8,282,610.13</u>	<u>8,138,561.51</u>	<u>8,529,061.00</u>	<u>7,475,099.00</u>
<b>Total District-wide Net Assets</b>	<u>\$ 48,094,527.57</u>	<u>\$ 47,263,744.77</u>	<u>\$ 48,119,895.19</u>	<u>\$ 46,452,173.03</u>	<u>\$ 41,610,170.77</u>	<u>\$ 41,003,512.91</u>	<u>\$ 43,599,780.75</u>	<u>\$ 30,510,557.38</u>	<u>\$ 30,853,437.00</u>	<u>\$ 29,808,039.00</u>

Source: District Records

**Gloucester County Special Services School District**  
Changes in Net Assets  
Last Nine Fiscal Years (accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Special Education	\$ 10,685,256.15	\$ 10,233,473.72	\$ 10,953,706.38	\$ 10,601,338.16	\$ 10,062,559.36	\$ 9,539,964.18	\$ 8,889,308.23	\$ 8,557,962.70	\$ 7,276,267.00	\$ 6,855,109.00
Other Special Education	390,512.81	528,217.01	765,682.80	792,677.13	719,439.98	894,377.78	923,709.67	1,092,535.09	990,773.00	954,900.00
<b>Support Services:</b>										
Student & Instruction Related Services	6,026,861.76	5,695,090.31	6,948,586.79	6,505,372.44	6,443,439.81	7,334,401.97	7,272,141.24	7,014,995.16	6,504,888.00	6,015,340.00
General Administrative Services	373,732.21	656,873.18	810,737.36	464,959.20	506,123.44	947,634.79	1,307,428.67	813,162.07		
School Administrative Services	1,218,822.26	1,046,291.97	1,029,062.23	976,534.87	1,009,734.27	492,895.49	412,322.78	199,329.58	209,608.00	162,962.00
Central Services	1,775,475.03	1,518,606.30	1,431,652.02	207,700.63	153,171.24	358,007.36	573,861.85	394,878.35	868,269.00	899,149.00
Plant Operations and Maintenance	2,938,633.91	2,924,087.38	2,872,349.52	2,900,502.44	2,434,298.00	2,401,290.56	1,768,677.89	1,738,933.26	1,589,865.00	1,072,774.00
Pupil Transportation	43,401.62	26,357.53	23,997.96	19,812.57	30,038.61	34,202.93	50,570.00	24,263.00	35,243.00	24,959.00
Other Support Services								11,644.56		
Allocated Benefits			31,495.56	407,028.48	26,148.00	230,815.34	256,783.66	260,932.31		
Unallocated Benefits	6,145,083.82	5,904,204.74	5,866,768.04	5,306,062.54	5,431,667.84	4,043,408.47	3,935,375.82	3,018,828.53	3,266,682.00	3,050,952.00
On-Behalf Pension Contributions	1,199,881.00	841,926.00	785,937.00	817,537.00	1,047,624.00	1,020,991.00	243,364.00	115,337.00		
Reimbursed TPAF Social Security Contributions	962,458.08	934,617.60	941,388.28	888,633.44	834,737.19	841,862.46	818,667.42	786,579.35		
Capital Outlay	482,286.45						796,544.05	94,268.09	224,781.00	
Special Schools				29,587.92	19,540.73	1,382,363.93	946,158.30	796,237.10	653,273.00	493,329.00
Unallocated Depreciation	296,475.64	257,303.85	28,724.71	42,389.22	115,487.99	201,089.72	705,952.81	678,930.01	622,220.00	209,822.00
<b>Total Governmental Activities Expenses</b>	<u>32,538,880.74</u>	<u>30,567,049.59</u>	<u>32,490,088.65</u>	<u>29,960,136.04</u>	<u>28,834,010.46</u>	<u>29,723,305.98</u>	<u>28,900,866.39</u>	<u>25,598,816.16</u>	<u>22,241,869.00</u>	<u>19,739,296.00</u>
<b>Business-type Activities:</b>										
Food Service	444,151.54	493,710.53	521,436.25	515,021.24	470,970.96	436,739.08	479,390.56	490,107.37	413,201.00	377,224.00
Enterprise Other	24,308,301.53	22,086,630.32	17,625,181.16	17,325,408.47	17,628,367.74	17,299,907.74	16,046,727.37	14,793,303.28	12,952,740.00	11,807,468.00
<b>Total Business-type Activities Expense</b>	<u>24,752,453.07</u>	<u>22,580,340.85</u>	<u>18,146,617.41</u>	<u>17,840,429.71</u>	<u>18,099,338.70</u>	<u>17,736,646.82</u>	<u>16,526,117.93</u>	<u>15,283,410.65</u>	<u>13,365,941.00</u>	<u>12,184,692.00</u>
<b>Total District Expenses</b>	<u>\$ 57,291,333.81</u>	<u>\$ 53,147,390.44</u>	<u>\$ 50,636,706.06</u>	<u>\$ 47,800,565.75</u>	<u>\$ 46,933,349.16</u>	<u>\$ 47,459,952.80</u>	<u>\$ 45,426,984.32</u>	<u>\$ 40,882,226.81</u>	<u>\$ 35,607,810.00</u>	<u>\$ 31,923,988.00</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Business and Other Support Services	\$ 1,597,280.07	\$ 1,675,054.74	\$ 1,781,561.12							
Operating Grants and Contributions	4,515,353.55	4,027,269.58	6,083,330.64	\$ 6,166,679.12	\$ 6,315,994.20	\$ 8,725,728.87	\$ 7,910,928.04	\$ 7,545,410.39	\$ 5,905,804.00	\$ 5,781,822.00
<b>Total Governmental Activities Program Revenues</b>	<u>6,112,633.62</u>	<u>5,702,324.32</u>	<u>7,864,891.76</u>	<u>6,166,679.12</u>	<u>6,315,994.20</u>	<u>8,725,728.87</u>	<u>7,910,928.04</u>	<u>7,545,410.39</u>	<u>5,905,804.00</u>	<u>5,781,822.00</u>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Food Service	219,657.51	52,910.49	244,645.38	309,606.57	165,632.04	266,123.45	274,699.03	248,144.32	220,071.00	252,188.00
Enterprise Other	24,789,739.10	22,877,124.27	19,810,794.92	18,688,361.50	17,637,222.77	16,752,509.28	16,808,095.66	15,022,293.05	13,833,437.00	13,163,449.00
Operating Grants and Contributions	215,474.66	277,764.36	318,000.65	280,853.78	207,566.97	227,158.76	285,242.60	280,248.79	183,532.00	122,078.00
<b>Total Business-type Activities Program Revenues</b>	<u>25,224,871.27</u>	<u>23,207,799.12</u>	<u>20,373,440.95</u>	<u>19,278,821.85</u>	<u>18,010,421.78</u>	<u>17,245,791.49</u>	<u>17,368,037.29</u>	<u>15,550,686.16</u>	<u>14,237,040.00</u>	<u>13,537,715.00</u>
<b>Total District Program Revenues</b>	<u>\$ 31,337,504.89</u>	<u>\$ 28,910,123.44</u>	<u>\$ 28,238,332.71</u>	<u>\$ 25,445,500.97</u>	<u>\$ 24,326,415.98</u>	<u>\$ 25,971,520.36</u>	<u>\$ 25,278,965.33</u>	<u>\$ 23,096,096.55</u>	<u>\$ 20,142,844.00</u>	<u>\$ 19,319,537.00</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (26,426,247.12)	\$ (24,864,725.27)	\$ (24,625,196.89)	\$ (23,793,456.92)	\$ (22,518,016.26)	\$ (20,997,577.11)	\$ (20,989,938.35)	\$ (18,053,405.77)	\$ (16,336,065.00)	\$ (13,957,474.00)
Business-type Activities	472,418.20	627,458.27	2,226,823.54	1,438,392.14	(88,916.92)	(490,855.33)	841,919.36	267,275.51	871,099.00	1,353,023.00
<b>Total District-wide Net Expense</b>	<u>\$ (25,953,828.92)</u>	<u>\$ (24,237,267.00)</u>	<u>\$ (22,398,373.35)</u>	<u>\$ (22,355,064.78)</u>	<u>\$ (22,606,933.18)</u>	<u>\$ (21,488,432.44)</u>	<u>\$ (20,148,018.99)</u>	<u>\$ (17,786,130.26)</u>	<u>\$ (15,464,966.00)</u>	<u>\$ (12,604,451.00)</u>

**Gloucester County Special Services School District**  
 Changes in Net Assets  
 Last Nine Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
(Continued)										
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
County Appropriation	\$ 499,211.00	\$ 827,710.00	\$ (675,497.65)	\$ 1,848,202.00	\$ 1,080,490.00	\$ 500,500.00	\$ 14,213,150.00	\$ 425,000.00	\$ 420,000.00	\$ 410,000.00
Tuition - LEA's	25,124,391.52	23,463,701.07	23,993,387.59	24,239,150.45	20,602,674.90	18,239,467.59	17,414,136.58	15,856,965.18	15,111,982.00	13,742,662.00
Nonresident Fees	996,178.62	848,926.96	898,782.01	860,403.73	553,133.76	501,616.60	541,412.85	172,306.25		
Unrestricted Grants and Contributions	27,664.41	25,190.25	41,758.10	20,075.55	26,214.56	40,250.91	397,478.35	326,582.09	792,956.00	698,275.00
Federal, State and Local Aid Restricted	-	39,844.65	-	41,700.00	40,891.50					
Investment Earnings	12,983.81	22,548.57			2,865.09					
Miscellaneous Income	331,478.80	626,347.47	455,184.26	891,946.84	495,111.36	786,084.75	685,628.33	525,431.48	264,534.00	234,525.00
Transfers									30,066.00	
Special Items:										
Cancellation of Prior Year Payable/(Receivable)	(255,242.84)	(37,710.80)						34,579.90	(79,108.00)	
Refund of Prior Period Tuition/Revenue	-	(2,283,563.90)								
Transfers	-		(64,848.00)							
Refund of Capital Outlay Expenditures	-	64,086.70								
Gain / (Loss) on Disposal of Capital Assets	(1,888.25)	(272,161.54)	(26,947.14)	(704,411.53)	412,209.87	(1,175,755.25)	(14,563.75)	(5,455.91)		
<b>Total Governmental Activities</b>	<u>26,734,777.07</u>	<u>23,324,919.43</u>	<u>24,621,819.17</u>	<u>27,197,067.04</u>	<u>23,213,591.04</u>	<u>18,892,164.60</u>	<u>33,237,242.36</u>	<u>17,335,408.99</u>	<u>16,540,430.00</u>	<u>15,085,462.00</u>
Business-type Activities:										
Transfers									\$ (30,066.00)	
County Appropriation	\$ 63,867.00	\$ 65,368.00	\$ 61,960.00					\$ 75,500.00		
Special Items:										
Refund of Prior Period Tuition/Revenue	(3,761.59)	(69,750.08)						38,261.93		
Transfers		285,503.21	64,848.00							
Gain / (Loss) on Disposal of Capital Assets	(2,291.30)									
Cancellation of Prior Year Payable/(Receivable)	(7,979.46)	(204,923.98)	(682,531.66)					(5,921.72)		
<b>Total Business-type Activities</b>	<u>49,834.65</u>	<u>56,197.15</u>	<u>(555,723.66)</u>					<u>107,840.21</u>	<u>(30,066.00)</u>	
<b>Total District-wide</b>	<u>\$ 26,784,611.72</u>	<u>\$ 23,381,116.58</u>	<u>\$ 24,066,095.51</u>	<u>\$ 27,197,067.04</u>	<u>\$ 23,213,591.04</u>	<u>\$ 18,892,164.60</u>	<u>\$ 33,237,242.36</u>	<u>\$ 17,443,249.20</u>	<u>\$ 16,510,364.00</u>	<u>\$ 15,085,462.00</u>
<b>Change in Net Assets</b>										
Governmental Activities	\$ 308,529.95	\$ (1,539,805.84)	\$ (3,377.72)	\$ 3,403,610.12	\$ 695,574.78	\$ (2,105,412.51)	\$ 12,247,304.01	\$ (717,996.78)	\$ 204,365.00	\$ 1,127,988.00
Business-type Activities	522,252.85	683,655.42	1,671,099.88	1,438,392.14	(88,916.92)	(490,855.33)	841,919.36	375,115.72	841,033.00	1,353,023.00
<b>Total District</b>	<u>\$ 830,782.80</u>	<u>\$ (856,150.42)</u>	<u>\$ 1,667,722.16</u>	<u>\$ 4,842,002.26</u>	<u>\$ 606,657.86</u>	<u>\$ (2,596,267.84)</u>	<u>\$ 13,089,223.37</u>	<u>\$ (342,881.06)</u>	<u>\$ 1,045,398.00</u>	<u>\$ 2,481,011.00</u>

Source: District Records

**Gloucester County Special Services School District**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30.									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved			\$ 1,259,522.21	\$ 165,124.30	\$ 62,804.30	\$ 86,909.49	\$ 168,781.98	\$ 99,153.45	\$ 607,768.00	\$ 144,538.00
Unreserved			4,913,741.10	4,834,518.53	1,731,092.86	1,461,885.75	1,580,676.71	2,223,946.53	2,848,989.00	2,621,054.00
Restricted	\$ 627,991.00	\$ 626,891.00								
Assigned	3,121,816.55	2,763,906.87								
Unassigned	2,136,731.20	1,310,439.66								
<b>Total General Fund</b>	<b>\$ 5,886,538.75</b>	<b>\$ 4,701,237.53</b>	<b>\$ 6,173,263.31</b>	<b>\$ 4,999,642.83</b>	<b>\$ 1,793,897.16</b>	<b>\$ 1,548,795.24</b>	<b>\$ 1,749,458.69</b>	<b>\$ 2,323,099.98</b>	<b>\$ 3,456,757.00</b>	<b>\$ 2,765,592.00</b>
All Other Governmental Funds										
Reserved			\$ 243,381.99	\$ 1,582,074.56	\$ 1,511,638.63	\$ 2,907,687.08	\$ 11,438,534.37	\$ 583,101.11	\$ 106,027.00	\$ 194,491.00
Unreserved, Reported in:										
Capital Projects Fund									85,373.00	361,275.00
Restricted, Reported in:										
Capital Projects Fund	\$ -	\$ 335,764.56								
Assigned, Reported in:										
Capital Projects Fund	43,015.23	135,071.90								
<b>Total All Other Governmental Funds</b>	<b>\$ 43,015.23</b>	<b>\$ 470,836.46</b>	<b>\$ 243,381.99</b>	<b>\$ 1,582,074.56</b>	<b>\$ 1,511,638.63</b>	<b>\$ 2,907,687.08</b>	<b>\$ 11,438,534.37</b>	<b>\$ 583,101.11</b>	<b>\$ 191,400.00</b>	<b>\$ 555,766.00</b>

Source: District Records

**Gloucester County Special Services School District**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
County Appropriation	\$ 499,211.00	\$ 827,710.00	\$ (611,410.95)	\$ 1,848,202.00	\$ 1,080,490.00	\$ 500,500.00	\$ 14,213,150.00	\$ 425,000.00	\$ 420,000.00	\$ 410,000.00
Tuition Charges	26,120,570.14	24,312,628.03	24,892,169.60	25,099,554.18	21,155,808.66	18,741,084.19	17,955,549.43	15,856,965.18	15,111,982.00	13,742,662.00
Interest Earnings	12,983.81	-			2,865.09	2,634.01	1,284.43	172,306.25	2,434.00	137.00
Miscellaneous	444,229.07	757,425.72	553,798.38	999,115.67	550,305.19	786,141.74	695,539.58	337,070.38	271,860.00	251,879.00
State Sources	2,459,444.08	2,073,648.60	4,152,240.27	4,298,740.40	4,474,441.85	6,685,646.98	6,110,616.15	5,811,382.78	5,253,593.00	5,381,161.00
Federal Sources	1,970,823.61	1,910,126.20	1,810,147.65	1,822,545.44	1,853,464.58	2,077,641.80	2,186,594.56	2,248,970.80	1,716,642.00	1,390,477.00
<b>Total Revenue</b>	<b>31,507,261.71</b>	<b>29,881,538.55</b>	<b>30,796,944.95</b>	<b>34,068,157.69</b>	<b>29,117,375.37</b>	<b>28,793,648.72</b>	<b>41,162,734.15</b>	<b>24,851,695.39</b>	<b>22,776,511.00</b>	<b>21,176,316.00</b>
<b>Expenditures</b>										
Instruction										
Special Education Instruction	10,608,697.43	10,145,551.41	10,909,069.12	10,557,563.75	10,021,030.39	9,505,154.96	8,889,308.23	8,557,962.70	7,276,267.00	6,855,109.00
Other Special Instruction	382,512.11	528,217.01	671,776.77	792,677.13	719,439.98	894,377.78	923,709.67	1,092,535.09	990,773.00	954,900.00
Support Services:										
Student & Instruction Related Services	5,999,235.94	5,486,068.86	6,766,274.21	6,485,968.92	6,432,241.69	7,322,922.91	7,272,141.24	7,014,995.16	6,483,400.00	5,914,018.00
General Administrative Services	309,459.96	439,642.93	508,233.66	488,474.20	541,173.21	930,801.08	1,307,428.67	813,162.07	434,266.00	428,911.00
School Administrative Services	1,209,373.59	1,036,028.35	1,018,798.61	953,156.66	988,104.34	481,676.83	412,322.78	199,329.58	209,608.00	162,962.00
Central Services	174,564.54	169,417.41	215,121.69	194,827.02	136,765.22	333,908.37	573,861.85	394,878.35	430,510.00	459,265.00
Plant Operations and Maintenance	2,473,996.57	2,440,134.60	2,415,022.98	2,451,622.39	1,982,607.36	1,978,976.30	1,768,677.89	1,738,933.26	1,589,865.00	1,072,774.00
Pupil Transportation	25,169.17	8,125.08	8,791.13	13,682.62	23,908.66	27,919.19	50,570.00	24,263.00	35,243.00	24,959.00
Other Support Services								11,644.56		
Allocated Benefits						230,815.34	256,783.66	260,932.31	220,454.00	192,170.00
Unallocated Employee Benefits	6,120,518.90	5,991,257.08	5,866,768.04	5,306,062.54	5,431,667.84	3,937,829.47	3,820,305.82	2,990,298.53	2,265,766.00	2,161,501.00
On-Behalf Pension Contributions	1,199,881.00	841,926.00	785,937.00	817,537.00	1,047,624.00	1,020,991.00	243,364.00	115,337.00	76,788.00	29,619.00
Reimbursed TPAF Social Security	962,458.08	934,617.60	941,388.28	888,633.44	834,737.19	841,862.46	818,667.42	786,579.35	701,761.00	659,329.00
Special Schools				29,587.92	19,540.73	1,382,363.93	946,158.30	796,237.10	653,273.00	493,329.00
Capital Outlay	1,028,671.59	847,935.53	789,987.55	1,812,182.50	2,294,018.29	8,635,559.84	3,597,642.65	831,145.53	1,032,696.00	2,692,478.00
<b>Total Expenditures</b>	<b>30,494,538.88</b>	<b>28,868,921.86</b>	<b>30,897,169.04</b>	<b>30,791,976.09</b>	<b>30,472,858.90</b>	<b>37,525,159.46</b>	<b>30,880,942.18</b>	<b>25,628,233.59</b>	<b>22,400,670.00</b>	<b>22,101,324.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,012,722.83	1,012,616.69	(100,224.09)	3,276,181.60	(1,355,483.53)	(8,731,510.74)	10,281,791.97	(776,538.20)	375,841.00	(925,008.00)
<b>Other Financing Sources (Uses)</b>										
Capital Projects Fund Adjustment	(4,258.06)									
Cancellation of Prior Year Payables/(Receivables)	(250,984.78)	(37,710.80)						34,579.90	(79,108.00)	
Refund of Prior Period Tuition	-	(2,283,563.90)								
Refund of Capital Outlay Expenditures	-	64,086.70								
Transfers In/(Out)			(64,848.00)						30,066.00	
<b>Total Other Financing Sources (Uses)</b>	<b>(255,242.84)</b>	<b>(2,257,188.00)</b>	<b>(64,848.00)</b>			<b>204,537.00</b>		<b>34,579.90</b>	<b>(49,042.00)</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 757,479.99</b>	<b>\$ (1,244,571.31)</b>	<b>\$ (165,072.09)</b>	<b>\$ 3,276,181.60</b>	<b>\$ (1,150,946.53)</b>	<b>\$ (8,731,510.74)</b>	<b>\$ 10,281,791.97</b>	<b>\$ (741,958.30)</b>	<b>\$ 326,799.00</b>	<b>\$ (925,008.00)</b>

Source: District Records

**GLOUCESTER COUNTY SPECIAL SERVICES DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition - LEA's	\$ 25,124,391.52	\$ 23,463,701.07	\$ 23,993,387.59	\$ 24,239,150.45	\$ 20,602,674.90	\$ 18,239,467.59	\$ 17,414,136.58	\$ 15,856,965.18	\$ 15,111,982.00	\$ 13,742,662.00
Nonresident Fees	996,178.62	848,926.96	898,782.01	860,403.73	553,133.76	501,616.60	541,412.85			
Interest Earned on Capital Reserve Funds	1,000.00				2,865.09	2,634.01	1,284.43			
Interest Earned on Investments	11,983.81	22,548.57	27,786.55	40,517.70	162,318.25	284,479.44	247,377.97	172,306.25	74,623.00	72,244.00
Refunds of Prior Years Revenues		281,213.51	50,863.70	28,643.31		53,117.29	5,010.31		3,285.00	9,886.00
Refunds of Prior Years Expenditures	64,715.13									
Indirect Costs	59,556.00	72,833.64	83,477.00	13,543.00	24,950.00	36,646.00	68,557.00	54,330.00	41,474.00	30,920.00
Rent	-	10,500.00		4,629.84	4,629.84	2,000.00	2,000.00	2,000.00	21,500.00	3,200.00
Special Education Medicaid Initiative	27,664.41									
Shared Services				560,481.24	141,723.51	80,000.00	25,367.24	104,637.54	70,200.00	73,146.00
Retail Trades	180,769.87	209,480.36	55,184.72	47,499.40	41,441.99	212,980.87	221,778.69	42,939.07	35,967.00	29,934.00
Miscellaneous	26,437.80	52,319.96	237,872.29	196,632.35	120,047.77	114,227.14	114,252.69	122,675.48	17,485.00	15,195.00
	<u>\$ 26,492,697.16</u>	<u>\$ 24,961,524.07</u>	<u>\$ 25,347,353.86</u>	<u>\$ 25,991,501.02</u>	<u>\$ 21,653,785.11</u>	<u>\$ 19,527,168.94</u>	<u>\$ 18,641,177.76</u>	<u>\$ 16,355,853.52</u>	<u>\$ 15,376,516.00</u>	<u>\$ 13,977,187.00</u>

Source: District Records

## Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**Gloucester County Special Services School District**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	Unavailable	Unavailable	Unavailable	9.8%
2011	289,104	Unavailable	Unavailable	9.3%
2010	288,288	\$ 8,997,468,480	\$ 31,210	10.0%
2009	289,920	11,478,222,720	39,591	9.2%
2008	288,168	11,354,971,872	39,404	5.4%
2007	285,753	10,810,607,496	37,832	4.3%
2006	282,031	10,266,210,431	36,401	4.7%
2005	277,037	9,522,592,801	34,373	4.4%
2004	272,784	8,971,320,192	32,888	4.7%
2003	267,978	8,392,267,026	31,317	5.4%
2002	262,958	8,079,647,508	30,726	5.2%

**Source:**

- (1) Information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Gloucester County Special Services School District**  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited

<u>Employer</u>	<u>2012</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Underwood Memorial Hospital	1,825	1	1.13%	N/A	N/A	N/A
Rowan University	1,300	2	0.80%	N/A	N/A	N/A
Kennedy Memorial Hospital	1,200	3	0.74%	N/A	N/A	N/A
Missa Bay, LLC	950	4	0.59%	N/A	N/A	N/A
ExxonMobil Corp	750	5	0.46%	N/A	N/A	N/A
U.S. FoodService	725	6	0.45%	N/A	N/A	N/A
Godwin Pumps/ITT	640	7	0.39%	N/A	N/A	N/A
Paulsboro Refining	600	8	0.37%	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	9	0.31%	N/A	N/A	N/A
Drugstore.com	450	10	0.28%	N/A	N/A	N/A
Hertiage Dairy Stores	450	10	0.28%	N/A	N/A	N/A
	<u>9,390</u>		<u>5.79%</u>			

**Source:** Gloucester County Department of Economic Development

## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**Gloucester County Special Services School District**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	730.2	29,465,867.29	40,353.15	-0.27%	204	730.2	666.8	5.44%	91.32%
2011	692.5	28,020,986.33	40,463.52	2.44%	Not available	692.5	636.1	-9.14%	91.86%
2010	762.2	30,107,181.49	39,500.37	-1.38%	Not available	762.2	692.5	1.40%	90.86%
2009	751.7	30,107,181.49	40,052.12	-0.38%	Not available	751.7	686.8	4.29%	91.37%
2008	720.8	28,979,793.59	40,205.04	-11.02%	Not available	720.8	650.1	12.73%	90.19%
2007	639.4	28,889,599.62	45,182.36	7.69%	Not available	639.4	583.0	-1.68%	91.18%
2006	650.3	27,283,299.53	41,954.94	5.68%	Not available	650.3	589.7	4.11%	90.68%
2005	624.6	24,797,088.06	39,700.75	11.90%	Not available	624.6	566.4	3.70%	90.68%
2004	602.3	21,367,974.00	35,477.29	5.69%	Not available	602.3	539.5	4.17%	89.57%
2003	578.2	19,408,846.00	33,567.70	-5.55%	Not available	578.2	514.9	15.25%	89.05%
2002	501.7	17,830,472.00	35,540.11	59.70%	Not available	501.7	448.0	5.31%	89.30%

**Sources:** District records, ASSA and Schedule J-4

**Note:** Enrollment based on annual October district count.

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

**Gloucester County Special Services School District**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>District Building</u></b>										
<b><u>Special Education</u></b>										
Bankbridge Elementary (2002)										
Square Feet	39,081	39,081	39,081	39,081	39,081	39,081	39,081	39,081	39,081	39,081
Capacity (students) <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Bankbridge Regional School (2000)										
Square Feet	79,670	79,670	79,670	79,670	79,670	79,670	79,670	76,560	76,560	76,560
Capacity (students) <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Bankbridge Development Center (2007)										
Square Feet	52,200	52,200	52,200	52,200	52,200	-	-	-	-	-
Capacity (students) <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Enrollment <sup>2</sup>	730.2	692.5	762.2	751.7	665.5	595.0	618.0	608.5	587.5	550.5

Number of Schools at June 30, 2008  
 Special Education = 3

<sup>1</sup> N.J.S.A. 18A:7G et seq. provides no standard capacity for County Special Services School Districts due to the specialized population served.

<sup>2</sup> Bankbridge is treated as one school for reporting enrollment. Such treatment provides maximum flexibility in addressing each student's individual needs.

**Source:** District records, ASSA

**Note:** Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**Gloucester County Special Services School District**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
 Unaudited

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

* School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Bankbridge Elementary School	SP 200456	\$ 20,297	\$ 20,143	\$ 32,059	\$ 35,412	\$ 47,909	\$ 49,898	\$ 18,601	\$ 4,358	\$ 35,164	\$ 16,297
Bankbridge Regional School	SP 98129	105,893	73,230	41,615	42,541	66,881	94,965	25,422	44,957	45,899	22,138
Bankbridge Development Center	N/A	19,271	45,410	22,518	14,196	11,897					
<b>Total School Facilities</b>		<u>\$ 145,460</u>	<u>\$ 138,783</u>	<u>\$ 96,192</u>	<u>\$ 92,148</u>	<u>\$ 126,687</u>	<u>\$ 144,863</u>	<u>\$ 44,023</u>	<u>\$ 49,315</u>	<u>\$ 81,063</u>	<u>\$ 38,435</u>

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

Source: District Records

## GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Insurance Schedule

June 30, 2012

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Automobile Liability (1)</b>	\$ 16,000,000 per occurrence 1,000,000 Combined Single Limit	
<b>Property (1)</b>		
Blanket Real and Personal Property	\$ 5,000,000 per occurrence	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Demolition and Increased Cost of Construction	10,000,000 per occurrence	
Loss of Business Income/Tuition	1,500,000	
Earthquake	50,000,000 per occurrence	
	50,000,000 NJSBAIG annual aggregate	
Terrorism	1,000,000 per occurrence 1,000,000 NJSBAIG annual aggregate	
<b>Comprehensive General Liability (1)</b>		
Combined Single Limit for Bodily Injury & Property Damage	\$ 16,000,000 Combined Single Limit for Bodily Injury & Property Damage	
Bodily Injury from Products and Completed Operations	\$ 16,000,000 annual aggregate	
Sexual Abuse	16,000,000 per occurrence 17,000,000 annual pool aggregate	
Personal Injury and Advertising Injury	16,000,000 each occurrence 16,000,000 annual aggregate	
Employee Benefits Liability	16,000,000 per occurrence/ annual aggregate	\$ 1,000 per claim
Terrorism	1,000,000 per occurrence/ annual NJSBAIG aggregate	
<b>Workers' Compensation and Employers' Liability (1)</b>		
Bodily Injury by Accident	\$ 2,000,000 each accident	
Bodily Injury by Disease	2,000,000 each employee 2,000,000 aggregate limit	
Part A	Statutory	
<b>School Leaders Errors &amp; Omissions (1)</b>		
Coverage A		
Limit of Liability:	\$ 16,000,000 each policy period	\$ 5,000 each claim
Coverage B		
Limit of Liability:	\$ 100,000 each claim 300,000 each policy period	\$ 5,000 each claim
<b>Property (1)</b>	\$ 300,000,000 Insurance Group Limit	\$ 5,000 each claim
<b>Public Official Bonds (2)</b>		
Assistant Superintendent for Business/Board Secretary	\$ 300,000.00	
<b>Student Accident Policy (3)</b>	\$ 8,000,000.00	
<b>Volunteer Accident Policy (3)</b>	\$ 250,000.00	
<b>Migrant Accident Policy (3)</b>	\$ 1,000,000.00	

(1) - New Jersey School Boards Association Insurance Group

(2) - Western Surety

(3) - National Union Fire Insurance Co. of Pittsburgh

Source: District Records

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S 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  
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

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

**Compliance**

We have audited the Gloucester County Special Services School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2012. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Gloucester 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 of the School District's compliance with those requirements.

In our opinion, the Gloucester County Special Services School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

**Internal Control Over Compliance**

Management of the Gloucester County Special Services School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the 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 and State of New Jersey Circular 04-04-OMB, 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 the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, federal and 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,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2012

**Gloucester County Special Services School District**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2012

Federal Grantor /Pass-through Grantor / Program Title	CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	
<b>General Fund:</b>					
<b>U.S. Department of Health and Human Services: Passed-through State Department of Education: Immunization Grant:</b>					
Medical Assistance Program	93.778	N/A	\$ 27,664.41	07/01/11	06/30/12
Total U.S. Department of Health and Human Services					
Total General Fund:					
<b>Special Revenue Fund:</b>					
<b>U.S. Department of Education: Passed-through State Department of Education: Office of Elementary and Secondary Education: Migrant Education - State Program - Title I, Part C</b>					
Migrant Education Project	84.011	11-100-034-5060-019	1,600,000.00	01/01/11	12/31/11
Migrant Education Project	84.011	12-100-034-5060-019	1,600,000.00	01/01/12	12/31/12
Total Migrant Education - State Program - Title I, Part C					
<b>Education for Homeless Children and Youth</b>					
McKinney-Vento Ed for Homeless Children	84.196A	10-100-034-5060-021	164,874.00	09/01/09	08/31/10
McKinney-Vento Ed for Homeless Children	84.196A	11-100-034-5060-021	294,000.00	09/01/10	08/31/11
McKinney-Vento Ed for Homeless Children	84.196A	12-100-034-5060-021	274,090.00	09/01/11	08/31/12
Total Education for Homeless Children and Youth					
Total Special Revenue Fund/Office of Secondary Education					
<b>Enterprise Fund:</b>					
<b>U.S. Department of Agriculture Passed-through State Department of Education: Child Nutrition Cluster:</b>					
Food Distribution Program	10.555	unavailable	15,478.69	07/01/10	06/30/11
Food Distribution Program	10.555	unavailable	18,871.47	07/01/11	06/30/12
Breakfast Program	10.553	12-100-010-3350-021	68,724.48	07/01/11	06/30/12
National School Lunch Program	10.555	12-100-010-3350-023	123,223.15	07/01/11	06/30/12
Summer Food Program	10.559	unavailable	98,173.39	07/01/11	06/30/12
Total Enterprise Fund and Child Nutrition Cluster					

Total Federal Financial Assistance

(A) Cancellation of accounts receivable

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

<u>Balance at June 30, 2011</u>								<u>Balance at June 30, 2012</u>	
<u>Deferred Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustments (A)</u>	<u>Repayment of Prior Years' Balances</u>	<u>(Accounts Receivable)</u>	<u>Deferred Revenue</u>		
		\$ 27,664.41	\$ (27,664.41)						
-	-	27,664.41	(27,664.41)	-	-	-	-		
-	-	27,664.41	(27,664.41)	-	-	-	-		
(572,289.50)		1,222,215.00	(1,007,454.35) (583,266.61)	0.85		\$ (357,528.00) (583,266.61)			
(572,289.50)	-	1,222,215.00	(1,590,720.96)	0.85	-	(940,794.61)	-		
(59.00) (156,393.70)		59.00 293,006.00 170,875.00	(136,611.72) (215,826.52)	(0.58)		- (0.00) (44,951.52)			
(156,452.70)	-	463,940.00	(352,438.24)	(0.58)	-	(44,951.52)	-		
(728,742.20)	-	1,686,155.00	(1,943,159.20)	0.27	-	(985,746.13)	-		
385.00		18,871.47 65,018.71 116,725.16 98,173.39	(385.00) (17,751.96) (68,724.48) (123,223.15) (98,173.39)			- - (3,705.77) (6,497.99) -	\$ 1,119.51		
385.00	-	298,788.73	(308,257.98)	-	-	(10,203.76)	1,119.51		
<u>\$ (728,357.20)</u>	<u>\$ -</u>	<u>\$ 2,012,608.14</u>	<u>\$ (2,279,081.59)</u>	<u>\$ 0.27</u>	<u>\$ -</u>	<u>\$ (995,949.89)</u>	<u>\$ 1,119.51</u>		

**Gloucester County Special Services School District**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2012

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>From</u>	<u>Grant Period To</u>
<b>General Fund:</b>				
<b>State Department of Education:</b>				
Reimbursed TPAF Social Security Contributions	11-100-034-5095-002	\$ 934,617.60	7/1/10	6/30/11
Reimbursed TPAF Social Security Contributions	12-100-034-5095-002	962,458.08	7/1/11	6/30/12
Total General Fund				
<b>Special Revenue Fund:</b>				
<b>State Department of Human Services:</b>				
School Based Youth Services	12-100-054-7500-068	297,105.00	7/1/11	6/30/12
Total State Department of Human Services				
Total Special Revenue Fund				
<b>Enterprise Fund:</b>				
<b>State Department of Agriculture:</b>				
State School Lunch Program	12-100-010-3350-023	4,655.53	7/1/11	6/30/12
Total Enterprise Fund				
Total State Financial Assistance				
(B) Reversal of prior year adjustment				

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance 6/30/2011				Balance 6/30/2012		Memo	
Deferred Revenue / (Accounts Receivable)	Cash Received	Adjustments (B)	Budgetary Expenditures	(Accounts Receivable)	Interfund Payable/ Deferred Revenue	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
\$ (45,239.26)	\$ 45,239.26			-		-	\$ (934,617.60)
	953,623.98		\$ (962,458.08)	\$ (8,834.10)		\$ (8,834.10)	(962,458.08)
(45,239.26)	998,863.24		(962,458.08)	(8,834.10)		(8,834.10)	(1,897,075.68)
	297,105.00		(297,105.00)	-		-	(297,105.00)
-	297,105.00	-	(297,105.00)	-		-	(297,105.00)
-	297,105.00	-	(297,105.00)	-	-	-	(297,105.00)
	4,418.52		(4,655.56)	(237.04)		(237.04)	(4,655.56)
-	4,418.52	-	(4,655.56)	(237.04)		(237.04)	(4,655.56)
\$ (45,239.26)	\$ 1,300,386.76	\$ -	\$ (1,264,218.64)	\$ (9,071.14)	\$ -	\$ (9,071.14)	\$ (2,461,295.24)

**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012

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**Note 1: GENERAL**

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

**Note 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$11,510.95 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 27,664.41	\$ 962,458.08	\$ 990,122.49
Special Revenue	1,943,159.20	297,105.00	2,240,264.20
Enterprise Funds	308,992.49	4,655.53	313,648.02
Total Awards and Financial Assistance	<u>\$ 2,279,816.10</u>	<u>\$ 1,264,218.61</u>	<u>\$ 3,544,034.71</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent immaterial accounts receivable adjustments on Schedule K-3.

**Note 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. 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 fiscal year ended June 30, 2012.

**Note 7: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued UNQUALIFIED

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Type of auditor's report issued on compliance for major programs UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?      yes   X   no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.011	Migrant Education Project
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee?   X   yes      no



**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 2- Schedule of Financial Statement Findings***

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

None

**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None

**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

**GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None

