

Comprehensive Annual Financial Report

of the

**Gloucester County
Special Services School District**

Deptford, New Jersey

**For The Fiscal Year Ended
June 30, 2013**

GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
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INTRODUCTORY SECTION



GLOUCESTER COUNTY SPECIAL SERVICES SCHOOL DISTRICT

1340 TANYARD ROAD · SEWELL, NEW JERSEY 08080
856-468-6530 · FAX 856-468-1426

December 3, 2013

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, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 2012-2013 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
- Abilities Center – half day program for students ages 16 to 21

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. Elementary Guidance Counselor Services
 8. Gloucester County Safe Schools Program
 9. One-on-one Teacher Assistants Program
 10. Physical Therapy
 11. Psychological Services
 12. Educational Interpreter Services
 13. Substitute Nurse Clearinghouse
 14. Autism Services
 15. 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 Technology/Administration
6. Nonpublic Textbooks/Administration
7. Student Residency Investigation
8. 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. Together Shelter – Instructional Services
6. Migrant Education

Special Education
Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2012-2013	738.1	6.58%
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 2012-2013

- Maintain and enhance all current programs for the school district.
- Complete the Bankbridge Elementary masonry block remediation.
- Continue to explore cost-saving green initiatives to reduce utilities cost.
- Support the development of the Excellent Educators for New Jersey Teacher and Principal Evaluation initiatives in preparation for full implementation beginning in September 2013.
- Continue to revise the curriculum and assessment models for both school districts as they relate to the New Jersey Department of Education Core Curriculum Standards (NJCCS) and Partnership for Assessment of Readiness for College and Careers initiatives.
- Continue to maintain close supervision of fiscal operations and seek every opportunity to reduce operating costs through attrition and shared services.
- Prepare for the updating of the District's Long Range Facility and Technology plans.
- Conclude contract negotiations with the Special Services Employees' Association.
- Revise and update the District's literature and webpage to reflect current programming.
- Ensure that the Board of Education policies and meeting minutes are posted on the district's webpage.

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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

5) ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting 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 2012-2013 insurance coverage of the Gloucester County Special Services School District was carried via the New Jersey School Boards Association Insurance Group, 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.

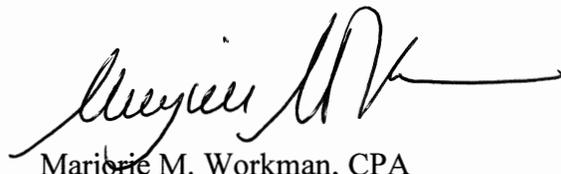
9) ACKNOWLEDGMENTS

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,

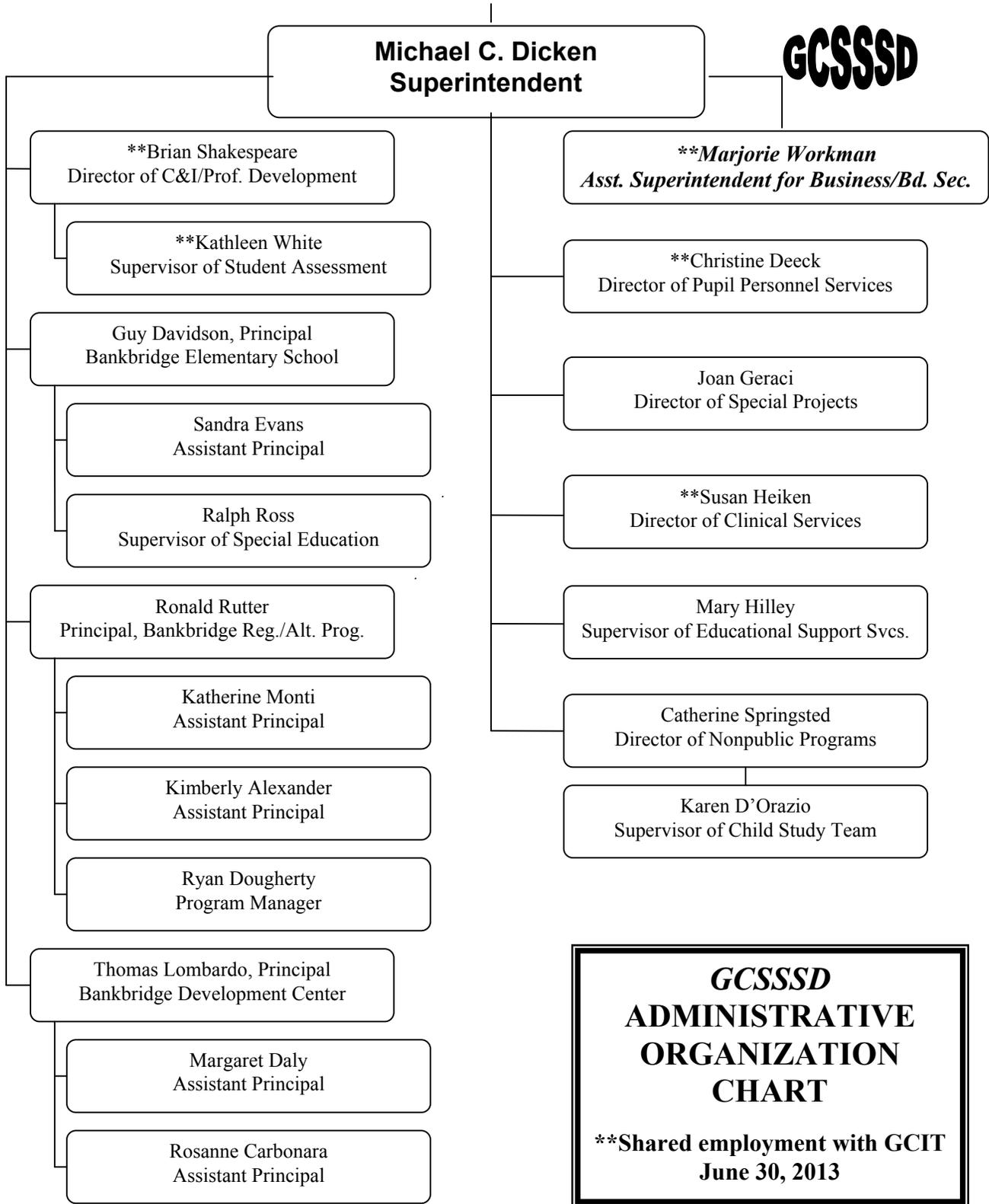


Michael C. Dicken
Superintendent



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 SERVICES SCHOOL DISTRICT
DEPTFORD, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Anthony W. Wilcox, President	6/30/2014
Marlene A. McConnell, Vice President	6/30/2014
Frank J. DiMarco	6/30/2013
Albert F. Frattali	6/30/2015
William C. Packer	6/30/2013
Robert P. Wooton	6/30/2015
Thomas J. Dowd, Interim Executive County Superintendent	
<u>Other Officials</u>	
Michael Dicken, Superintendent	
Marjorie M. Workman, Assistant Superintendent for Business/Board Secretary	
Lisa Finnegan, Comptroller	

**BOARD OF EDUCATION
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
6 N. Broad Street, Suite 201
Woodbury, New Jersey 08096

Attorneys

Board Solicitor

Louis Cappelli Jr., Esq.
Florio, Perrucci, Steinhardt & Fader
1010 Kings Highway South
Cherry Hill, NJ 08034

Labor Attorney

William M. Tambussi, Esq.
Brown & Connery, LLP
360 Haddon Avenue
Westmont, New Jersey 08108

Construction Attorney

Richard W. Hunt, Esq.
Parker McCay
9000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

Official Depositories

Bank of America
1355 N. Delsea Drive
Deptford, NJ 08096

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in 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 from material misstatement.

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester County Special Services School District's basic 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 basic 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 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and 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 basic financial statements as a whole.

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

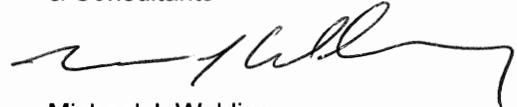
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2013 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 in considering the Gloucester County Special Services School District's internal control over financial reporting and compliance.

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, 2013

**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**

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

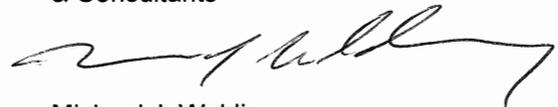
Purpose of this Report

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

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, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013. 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 (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS (numbers need to be inputted)

Key financial highlights for the 2012-2013 fiscal year is as follows:

- The District's net position decreased by \$439,914, less than 1%, as a result of this year's operations. Net position of our governmental activities decreased \$397,048 and net position of our business-type activities decreased by \$42,866. The decrease in net position of governmental activities is the net result of increased capital outlay expenditures in the general fund. The net position of business-type activities decreased primarily due to contributions made during 2012-13.
- During the year, the District generated \$33,724,598 in revenues, which was \$2,217,336 more than 2011-2012 revenues. The 2012-2013 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 \$207,270.
- In the District's business-type activities, operating revenues increased \$441,683 to \$25,514,947, approximately 1.8%, while operating expenses increased \$34,594 less than 1%.

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 position 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 position* and how it has changed. Net position 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 position 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 position

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 position at fiscal year-end June 30, 2013 is \$47,654,613. This is a \$439,914 decrease from last year's net position of \$48,094,527. The following table provides a summary of the District's net position:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	7,721,690	7,244,566	11,393,742	10,714,616	19,115,432	17,959,182
Capital assets	<u>31,842,594</u>	<u>32,112,273</u>	<u>326,681</u>	<u>395,535</u>	<u>32,169,275</u>	<u>32,507,808</u>
Total assets	<u>39,564,284</u>	<u>39,356,839</u>	<u>11,720,423</u>	<u>11,110,151</u>	<u>51,284,707</u>	<u>50,466,990</u>
Long-term liabilities	1,155,943	977,035			1,155,943	977,035
Other liabilities	<u>1,755,736</u>	<u>1,330,151</u>	<u>718,415</u>	<u>65,277</u>	<u>2,474,151</u>	<u>1,395,428</u>
Total liabilities	<u>2,911,679</u>	<u>2,307,186</u>	<u>718,415</u>	<u>65,277</u>	<u>3,630,094</u>	<u>2,372,463</u>
Net position:						
Invested in capital assets, net of related debt	31,589,304	32,112,273	326,681	395,535	31,915,985	32,507,808
Restricted	628,591	671,006			628,591	671,006
Unrestricted	<u>4,434,710</u>	<u>4,266,374</u>	<u>10,675,327</u>	<u>10,649,339</u>	<u>15,110,037</u>	<u>14,915,713</u>
Total net position	<u>36,652,605</u>	<u>37,049,653</u>	<u>11,002,008</u>	<u>11,044,874</u>	<u>47,654,613</u>	<u>48,094,527</u>

The District reported positive balances in net position for both governmental and business-type activities. Net position decreased \$397,048 for governmental activities and decreased \$42,866 for business-type activities.

The increase (decrease) in net position 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 position of business-type activities increased primarily due to increased operating revenues of the enterprise funds.

Changes in Net position

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

	<u>Summary of Changes in Net Position</u>					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	1,213,241	1,597,280	25,179,631	25,009,397	26,392,872	26,606,677
Operating grants and Contributions	4,899,543	4,515,354	353,882	215,475	5,253,425	4,730,829
General revenues:						
County tax levy	1,227,762	499,211	335,316	63,867	1,563,078	563,078
Tuition charges	27,095,739	26,120,570			27,095,739	26,120,570
Other	529,146	372,127		2,214	529,146	374,341
Total revenues	<u>34,965,431</u>	<u>33,104,542</u>	<u>25,868,829</u>	<u>25,290,953</u>	<u>60,834,260</u>	<u>58,395,495</u>
Expenses:						
Instruction	11,170,405	11,075,769			11,170,405	11,075,769
Support services	23,866,157	21,166,636			23,866,157	21,166,636
Unallocated depreciation	303,183	296,476			303,183	296,476
Food service			484,803	444,152	484,803	444,152
Other activities	22,734	257,131	25,426,892	24,324,548	25,449,626	24,581,679
Total expenses	<u>35,362,479</u>	<u>32,796,012</u>	<u>25,911,695</u>	<u>24,768,700</u>	<u>61,274,174</u>	<u>57,564,712</u>
Change in net position	(397,048)	308,530	(42,866)	522,253	(439,914)	830,783
Beginning net position	<u>37,049,653</u>	<u>36,741,123</u>	<u>11,044,874</u>	<u>10,522,621</u>	<u>48,094,527</u>	<u>47,263,744</u>
Ending net position	<u><u>36,652,605</u></u>	<u><u>37,049,653</u></u>	<u><u>11,002,008</u></u>	<u><u>11,044,874</u></u>	<u><u>47,654,613</u></u>	<u><u>48,094,527</u></u>

THE DISTRICT'S FUNDS

Governmental funds reported ending fund balances of \$6,029,821. Of this year-end total, \$2,018,720 is unassigned and \$3,382,510 is assigned, with \$454,099 of the assigned fund balance committed to liquidate encumbrances and \$2,928,411 designated for subsequent year's expenditures. Restricted fund balances total \$628,591, with \$127,091 available in the capital reserve account and \$501,500 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 \$2,765,851 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, 2013, was \$31,842,594 and \$326,681 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>2013</u>	<u>2012</u>
Governmental Activities		
Land	\$ 230,052	\$ 230,052
Construction in Progress	-	286,985
Land Improvements	2,378	2,624
Buildings and Building Improvements	29,655,216	29,996,629
Machinery and Equipment	<u>1,954,948</u>	<u>1,595,983</u>
Total	<u>31,842,594</u>	<u>32,112,273</u>
Business-type Activities		
Machinery and Equipment	<u>\$ 326,681</u>	<u>\$ 395,535</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 Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 5,921,576.33	\$ 6,807,931.43	\$ 12,729,507.76
Receivables, net	1,171,522.94	4,581,925.38	5,753,448.32
Inventory		3,884.82	3,884.82
Restricted Assets:			
Capital Reserve Account - Cash	127,091.00		127,091.00
Maintenance Reserve Account - Cash	501,500.00		501,500.00
Capital Assets, net	<u>31,842,593.75</u>	<u>326,681.20</u>	<u>32,169,274.95</u>
Total Assets	<u>39,564,284.02</u>	<u>11,720,422.83</u>	<u>51,284,706.85</u>
LIABILITIES:			
Cash Overdraft	428,634.16		428,634.16
Accounts Payable	627,368.76	214,443.34	841,812.10
Payable to Other Governments	60,217.42	500,000.00	560,217.42
Unearned Revenue	575,648.88	2,400.00	578,048.88
Noncurrent Liabilities:			
Due within One Year	63,866.92		63,866.92
Due beyond One Year	<u>1,155,943.24</u>		<u>1,155,943.24</u>
Total Liabilities	<u>2,911,679.38</u>	<u>718,415.12</u>	<u>3,630,094.50</u>
NET POSITION			
Net Investment in Capital Assets	31,589,303.91	326,681.20	31,915,985.11
Restricted for:			
Capital Projects			-
Other Purposes	628,591.00		628,591.00
Unrestricted	<u>4,434,709.73</u>	<u>10,675,326.51</u>	<u>15,110,036.24</u>
Total Net Position	<u>\$ 36,652,604.64</u>	<u>\$ 11,002,007.71</u>	<u>\$ 47,654,612.35</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, 2013

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Special Education	\$ 10,793,258.22		\$ 506,396.15	\$ (10,286,862.07)		\$ (10,286,862.07)
Other Special Instruction	377,147.27			(377,147.27)		(377,147.27)
Support Services:						
Student and Instruction Related Services	6,681,446.29		1,627,295.55	(5,054,150.74)		(5,054,150.74)
General Administration	572,661.09			(572,661.09)		(572,661.09)
School Administration	1,136,037.69			(1,136,037.69)		(1,136,037.69)
Central Services	1,798,200.81	\$ 1,213,241.12		(584,959.69)		(584,959.69)
Plant Operations and Maintenance	3,304,914.06			(3,304,914.06)		(3,304,914.06)
Pupil Transportation	54,653.92			(54,653.92)		(54,653.92)
Unallocated Benefits	6,542,781.71			(6,542,781.71)		(6,542,781.71)
On-Behalf Pension Contributions	1,810,579.00		1,810,579.00			
Reimbursed TPAF Social Security Contributions	955,272.42		955,272.42			
Capital Outlay	1,009,608.84			(1,009,608.84)		(1,009,608.84)
Unallocated Depreciation	303,183.40			(303,183.40)		(303,183.40)
Total Governmental Activities	35,339,744.72	1,213,241.12	4,899,543.12	(29,226,960.48)		(29,226,960.48)
Business-Type Activities:						
Food Service	484,802.89	142,851.02	261,922.98		\$ (80,028.89)	(80,028.89)
Enterprise Other	24,302,243.76	25,036,780.19	91,959.00		826,495.43	826,495.43
Total Business-Type Activities	24,787,046.65	25,179,631.21	353,881.98		746,466.54	746,466.54
Total Primary Government	\$ 60,126,791.37	\$ 26,392,872.33	\$ 5,253,425.10	(29,226,960.48)	746,466.54	(28,480,493.94)
General Revenues:						
County Appropriation				1,227,762.00	335,316.00	1,563,078.00
Tuition - LEA's				26,056,788.14		26,056,788.14
Nonresident Fees				1,038,950.92		1,038,950.92
Miscellaneous Income				457,817.48		457,817.48
Federal and State Aid Not Restricted				43,736.56		43,736.56
Special Items						
Contribution to County of Gloucester					(1,050,000.00)	(1,050,000.00)
Cancellation of Prior Year Receivable				(34,840.64)	(61,960.77)	(96,801.41)
Cancellation of Prior Year Payable				62,432.01	-	62,432.01
Refund of Prior Period Tuition/Revenue				(18,974.86)	(8,052.19)	(27,027.05)
Loss on Disposal of Capital Assets				(3,759.89)	(4,636.04)	(8,395.93)
Total General Revenues, Special Items, Extraordinary Items and Transfers				28,829,911.72	(789,333.00)	28,040,578.72

(Continued)

Gloucester County Special Services School District
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Net (Expense) Revenue and Changes in Net Position		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Change in Net Position	(397,048.76)	(42,866.46)	(439,915.22)
Net Position -- July 1	37,049,653.40	11,044,874.17	48,094,527.57
Net Position -- June 30	\$ 36,652,604.64	\$ 11,002,007.71	\$ 47,654,612.35

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 5,921,576.33		\$ 32,564.54	\$ 5,954,140.87
Cash - Capital Reserve Account	127,091.00			127,091.00
Cash - Maintenance Reserve Account	501,500.00			501,500.00
Accounts Receivable:				
State	45,712.78			45,712.78
Federal		\$ 581,701.23		581,701.23
Tuition	536,511.76			536,511.76
Interfunds Receivable	6,025.39	1,571.78		7,597.17
Total Assets	\$ 7,138,417.26	\$ 583,273.01	\$ 32,564.54	\$ 7,754,254.81
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Cash Overdraft		461,198.70		461,198.70
Accounts Payable	565,173.83	62,194.93	-	627,368.76
Payable to Local School District	21,712.51			21,712.51
Payable to Other Government	5,940.37		32,564.54	38,504.91
Unearned Revenue	515,769.50	59,879.38		575,648.88
Total Liabilities	1,108,596.21	583,273.01	32,564.54	1,724,433.76
Fund Balances:				
Restricted:				
Capital Reserve Account	127,091.00			127,091.00
Maintenance Reserve Account	501,500.00			501,500.00
Assigned:				
Other Purpose	454,098.84		-	454,098.84
Subsequent Year's Expenditures	2,928,411.00			2,928,411.00
Unassigned:				
General Fund	2,018,720.21			2,018,720.21
Total Fund Balances	6,029,821.05	-	-	6,029,821.05
Total Liabilities and Fund Balances	\$ 7,138,417.26	\$ 583,273.01	\$ 32,564.54	

(Continued)

Gloucester County Special Services School District
 Balance Sheet
 Governmental Funds
 June 30, 2013

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$38,585,143.22 and the accumulated depreciation is \$6,742,549.47.

\$ 31,842,593.75

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.

(1,219,810.16)

Net position of governmental activities

\$ 36,652,604.64

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
County Appropriation	\$ 1,227,762.00		-	\$ 1,227,762.00
Tuition - LEAs	26,056,788.14			26,056,788.14
Nonresident Fees	1,038,950.92			1,038,950.92
Miscellaneous	457,817.48	\$ 70,376.75		528,194.23
State Sources	2,765,851.42	301,905.00		3,067,756.42
Federal Sources	43,736.56	1,761,409.95		1,805,146.51
Total Revenues	31,590,906.52	2,133,691.70	-	33,724,598.22
EXPENDITURES:				
Current:				
Special Education Instruction	10,142,370.47	506,396.15		10,648,766.62
Other Special Instruction	377,147.27			377,147.27
Support Services and Undistributed Costs:				
Student and Instruction Related Services	5,040,409.89	1,627,295.55		6,667,705.44
General Administration	509,442.52			509,442.52
School Administration	1,130,200.99			1,130,200.99
Central Services	584,959.69			584,959.69
Plant Operations and Maintenance	2,833,071.52			2,833,071.52
Pupil Transportation	27,177.48			27,177.48
Unallocated Benefits	6,568,435.01			6,568,435.01
On-Behalf Pension Contributions	1,810,579.00			1,810,579.00
Reimbursed TPAF Social Security Contributions	955,272.42			955,272.42
Capital Outlay	1,776,095.47	-	\$ 43,015.23	1,819,110.70
Total Expenditures	31,755,161.73	2,133,691.70	43,015.23	33,931,868.66
Excess (Deficiency) of Revenues over Expenditures	(164,255.21)	-	(43,015.23)	(207,270.44)
OTHER FINANCING SOURCES (USES):				
Capital Lease (Non-Budget)	298,921.00			298,921.00
Cancellation of Accounts Receivable	(34,840.64)			(34,840.64)
Cancellation of Accounts Payable	62,432.01			62,432.01
Tuition Adjustment Refunds	(18,974.86)			(18,974.86)
Total Other Financing Sources and Uses	307,537.51	-	-	307,537.51
Net Change in Fund Balances	143,282.30	-	(43,015.23)	100,267.07
Fund Balance -- July 1	5,886,538.75		43,015.23	5,929,553.98
Fund Balance -- June 30	\$ 6,029,821.05	\$ -	\$ -	\$ 6,029,821.05

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, 2013

Total Net Change in Fund Balances - Governmental Funds		\$ 100,267.07
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	\$ (1,043,873.10)	
Capital Outlays	<u>777,953.70</u>	(265,919.40)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., adjustments and disposals is to decrease net position.</p>		
		(3,759.89)
<p>Repayment of obligations under capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		45,631.16
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Capital Lease Proceeds		(298,921.00)
<p>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 (+).</p>		
		<u>25,653.30</u>
Change in Net Position of Governmental Activities		<u>\$ (397,048.76)</u>

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

Gloucester County Special Services School District
Statement of Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
ASSETS:				
Cash & Cash Equivalents	\$ 55,892.01	\$ 7,265,097.56	\$ 7,320,989.57	-
Accounts Receivable		504,103.05	504,103.05	
Intergovernmental Accounts Receivable:				
State	931.20		931.20	
Federal	44,466.36		44,466.36	
Other	2,327.48	4,030,097.29	4,032,424.77	
Net, Capital Assets	39,383.39	287,297.81	326,681.20	
Inventories	3,884.82		3,884.82	
Total Assets	\$ 146,885.26	\$ 12,086,595.71	\$ 12,233,480.97	\$ -
LIABILITIES:				
Cash Deficit		513,058.14	513,058.14	
Accounts Payable		214,443.34	214,443.34	
Unearned Revenues		2,400.00	2,400.00	
Interfund Accounts Payable		1,571.78	1,571.78	
Intergovernmental Accounts Payable - Other		500,000.00	500,000.00	
Total Liabilities	-	1,231,473.26	1,231,473.26	-
NET POSITION:				
Net Investment in Capital Assets	39,383.39	287,297.81	326,681.20	
Unrestricted	107,501.87	10,567,824.64	10,675,326.51	
Total Net Position	\$ 146,885.26	\$ 10,855,122.45	\$ 11,002,007.71	\$ -

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 Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Other Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES:				
Local Sources				
Daily Sales - Non-Reimbursable Programs	\$ 109,715.67		\$ 109,715.67	
Special Functions	33,135.35		33,135.35	
County Tax Levy		\$ 335,316.00	335,316.00	
Fees for Services		25,036,780.19	25,036,780.19	\$ 1,213,241.12
Total Operating Revenues	142,851.02	25,372,096.19	25,514,947.21	1,213,241.12
OPERATING EXPENSES:				
Cost of Goods Sold	250,219.15	143,645.01	393,864.16	
Salaries		10,509,135.62	10,509,135.62	1,213,241.12
Employee Benefits		4,433,650.12	4,433,650.12	
Purchased Professional/Educational Services		7,033.81	7,033.81	
Purchased Professional/Professional Services		89,112.41	89,112.41	
Purchased Professional/Technical Services	4,213.53	143,119.83	147,333.36	
Purchased Professional/Shared Services		236,469.00	236,469.00	
Other Purchased Services		80,874.72	80,874.72	
Contracted Services	24,671.22	8,272,050.28	8,296,721.50	
Printing and Binding		3,875.77	3,875.77	
Utilities		7,188.29	7,188.29	
Postage Expense		352.03	352.03	
Miscellaneous Purchased Services	195,951.12		195,951.12	
Operations and Maintenance		49,178.63	49,178.63	
Travel		21,921.09	21,921.09	
Supplies and Materials	4,314.88	116,272.56	120,587.44	
Textbooks		91,011.99	91,011.99	
Miscellaneous Expenditures	498.19	2,040.06	2,538.25	
Rental of Land and Buildings		25,000.00	25,000.00	
Depreciation	4,934.80	70,312.54	75,247.34	
Total Operating Expenses	484,802.89	24,302,243.76	24,787,046.65	1,213,241.12
Operating Gain/ (Loss)	(341,951.87)	1,069,852.43	727,900.56	-
NONOPERATING REVENUES (EXPENSES):				
Local Source:				
State Source:				
State School Lunch Program	4,802.29		4,802.29	
Federal Source:				
National School Lunch Program	149,073.89		149,073.89	
National School Breakfast Program	77,925.23		77,925.23	
Food Distribution Program	30,121.57		30,121.57	
Migrant Summer Food Program		91,959.00	91,959.00	
Refund of Prior Year Revenue		(8,052.19)	(8,052.19)	
Loss on Disposal of Fixed Assets		(4,636.04)	(4,636.04)	
Cancellation of Prior Year Receivable		(61,960.77)	(61,960.77)	
Total Nonoperating Revenues (Expenses)	261,922.98	17,310.00	279,232.98	
Income (Loss) Before Transfers	(80,028.89)	1,087,162.43	1,007,133.54	-

(Continued)

Gloucester County Special Services School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Other Enterprise Funds	Total	Internal Service Fund
Contribution to County of Gloucester	-	\$ (1,050,000.00)	\$ (1,050,000.00)	
Net Income/(Loss)	\$ (80,028.89)	37,162.43	(42,866.46)	-
Change in Net Position	(80,028.89)	37,162.43	(42,866.46)	-
Net Position -- July 1	226,914.15	10,817,960.02	11,044,874.17	
Net Position -- June 30	\$ 146,885.26	\$ 10,855,122.45	\$ 11,002,007.71	\$ -

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, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Other Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 140,523.54	\$ 24,069,103.79	\$ 24,209,627.33	\$ 1,213,241.12
County Budget Appropriation		335,316.00	335,316.00	
Payments to Employees	-	(10,437,548.63)	(10,437,548.63)	(1,213,241.12)
Payments for Employee Benefits	-	(4,433,650.12)	(4,433,650.12)	
Payments to Suppliers	(460,322.52)	(9,207,593.80)	(9,667,916.32)	
Net Cash Used in Operating Activities	(319,798.98)	325,627.24	5,828.26	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Prior Year Revenue	-	(8,052.19)	(8,052.19)	
Cash Received from State & Federal Reimbursements	196,844.65	91,959.00	288,803.65	
Net Cash Provided by (Used in) Non-Capital Financing Activities	196,844.65	83,906.81	280,751.46	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Contribution to County of Gloucester		(550,000.00)	(550,000.00)	
Net Cash Provided by Investing Activities	-	(550,000.00)	(550,000.00)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(122,954.33)	(140,465.95)	(263,420.28)	-
Cash and Cash Equivalents -- July 1	178,846.34	6,892,505.37	7,071,351.71	
Cash and Equivalents -- June 30	<u>\$ 55,892.01</u>	<u>\$ 6,752,039.42</u>	<u>\$ 6,807,931.43</u>	<u>\$ -</u>
<u>Analysis of Cash Balance at June 30</u>				
Cash and Equivalents	\$ 55,892.01	\$ 7,265,097.56	\$ 7,320,989.57	-
Cash Deficit		(513,058.14)	(513,058.14)	
	<u>\$ 55,892.01</u>	<u>\$ 6,752,039.42</u>	<u>\$ 6,807,931.43</u>	<u>\$ -</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:				
Operating Income/(Loss)	\$ (341,951.87)	\$ 1,007,892.09	\$ 665,940.22	-
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:				
Change in Assets & Liabilities:				
Depreciation	4,934.80	70,312.54	75,247.34	
Food Distribution Program	30,121.57		30,121.57	
(Increase)/Decrease in Fixed Assets	(11,029.53)		(11,029.53)	
(Increase)/Decrease in Other Accounts Receivable	(2,327.48)	(905,716.06)	(908,043.54)	
Increase/(Decrease) in Inventory	453.53		453.53	
Increase/(Decrease) in Accounts Payable		151,566.89	151,566.89	
Increase/(Decrease) in Interfunds Payable		1,571.78	1,571.78	
Net Cash Used in Operating Activities	<u>\$ (319,798.98)</u>	<u>\$ 325,627.24</u>	<u>\$ 5,828.26</u>	<u>\$ -</u>

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

Gloucester County Special Services School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<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>
ASSETS:				
Cash and Cash Equivalents	\$ 69,824.48	\$ 1,745.45	\$ 229,396.11	\$ 40,180.33
Total Assets	<u>\$ 69,824.48</u>	<u>\$ 1,745.45</u>	<u>\$ 229,396.11</u>	<u>\$ 40,180.33</u>
LIABILITIES:				
Due to Student Groups			\$ 229,396.11	
Accrued Salary and Wages Payable				\$ 34,154.94
Interfund Accounts Payable				<u>6,025.39</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 229,396.11</u>	<u>\$ 40,180.33</u>
NET POSITION:				
Reserve for Students	69,824.48			
Reserved for Scholarship Funds		<u>1,745.45</u>		
Total Net Position	<u>\$ 69,824.48</u>	<u>\$ 1,745.45</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 Position
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2013

	<u>Donations</u> <u>Trust</u>	<u>Scholarship</u> <u>Trust</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Gifts and Contributions	\$ 14,700.00		\$ 14,700.00
Interest		\$ 1.12	1.12
	14,700.00	1.12	14,701.12
DEDUCTIONS:			
Cash Disbursements	-		-
Total Operating Expenses	-	-	-
	14,700.00	1.12	14,701.12
Change in Net Position			
Net Position, July 1	55,124.48	1,744.33	56,868.81
Net Position, June 30	\$ 69,824.48	\$ 1,745.45	\$ 71,569.93

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, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gloucester County Special Services School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

Description of the Reporting Entity

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"). The Board is comprised of seven members, six members are appointed by the Director of the Board of Chosen Freeholders, and the seventh member is the County School Superintendent. The purpose of the School 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, 2013 of 707.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board 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

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

Based on the aforementioned, the School District has determined that no component units exist for the fiscal year ended June 30, 2013.

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, however. These financial statements would be either blended or discretely presented as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Government-wide Financial Statements - The statement of net position 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. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. 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. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - The School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The proprietary fund is accounted for on an "economic resources" measurement focus. Accordingly, statement of revenues, expenses and changes in fund net position for the proprietary fund reports increases and decreases in total economic worth. The private-purpose trust fund is reported using the economic resources measurement focus.

Governmental Funds - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd)****Governmental Funds (Cont'd)**

General Fund - The general fund is the primary 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, ad valorem tax revenues, 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.

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 that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, 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 organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District maintains the following enterprise funds:

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.

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

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.

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.

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

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.

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains one internal service funds for shared services with the Gloucester County Vocational School District.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - 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). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - 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. The School District maintains the following private-purpose trust funds:

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships, which are awarded in accordance with the trust requirements.

Donations Trust Fund - Revenues consist of donations and interest income. Expenditures represent purchases of items to assist those in need in accordance with the trust requirements.

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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting (Cont'd)**

The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year-end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and 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 year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. 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 unearned 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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.

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.

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.

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, 2013.

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.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

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

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Motor Vehicles	5 - 10 Years
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 20 Years

The School District does not possess any infrastructure assets.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

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, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences (Cont'd)**

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. An expenditure is recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

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 Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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.

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

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.

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.

Accounting 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 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The School District elected to early implement GASBS 61 effective for fiscal year 2013. The adoption of GASBS 61, however, does not have any impact on the School District's financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 does not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

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 agency funds such as salary withholdings, 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, 2013, the School District's bank balances of \$14,924,818.42 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 181,474.13</u>
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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, 2013, the School District's deposits with the New Jersey Cash Management Fund were \$206,751.12

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.

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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 126,991.00
Increased by:	
Interest Earnings	100.00
Ending Balance, June 30, 2013	\$ 127,091.00

The June 30, 2013 LRFP balance of local support costs of uncompleted projects exceeds the capital reserve balance at June 30, 2013.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013 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>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Other Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 45,712.78	\$ 581,701.23	\$ 45,397.56		\$ 672,811.57
Other	536,511.76		2,327.48	4,030,097.29	4,568,936.53
	\$ 582,224.54	\$ 581,701.23	\$ 47,725.04	\$ 4,030,097.29	\$ 5,241,748.10

Note 5: INVENTORY

Inventory recorded at June 30, 2013 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 2,551.15
Supplies	<u>1,333.67</u>
	<u>\$ 3,884.82</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 230,052.00			\$ 230,052.00
Construction in Progress	286,984.77	\$ 43,015.23	\$ (330,000.00)	
Total Capital Assets, not being Depreciated	<u>517,036.77</u>	<u>43,015.23</u>	<u>(330,000.00)</u>	<u>230,052.00</u>
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	3,231,532.26	717,958.20	(87,119.86)	3,862,370.60
Buildings and Improvements	34,137,820.35	346,980.27		34,484,800.62
Land Improvements	7,920.00			7,920.00
Total Capital Assets, being Depreciated	<u>37,377,272.61</u>	<u>1,064,938.47</u>	<u>(87,119.86)</u>	<u>38,355,091.22</u>
Total Capital Assets, Cost	<u>37,894,309.38</u>	<u>1,107,953.70</u>	<u>(417,119.86)</u>	<u>38,585,143.22</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(1,635,549.04)	(355,233.33)	83,359.97	(1,907,422.40)
Buildings and Improvements	(4,141,191.30)	(688,393.77)		(4,829,585.07)
Land Improvements	(5,296.00)	(246.00)		(5,542.00)
Total Accumulated Depreciation	<u>(5,782,036.34)</u>	<u>(1,043,873.10)</u>	<u>83,359.97</u>	<u>(6,742,549.47)</u>
Total Capital Assets, being Depreciated, Net	<u>31,595,236.27</u>	<u>21,065.37</u>	<u>(3,759.89)</u>	<u>31,612,541.75</u>
Governmental Activities Capital Assets, Net	<u>\$32,112,273.04</u>	<u>\$ 64,080.60</u>	<u>\$ (333,759.89)</u>	<u>\$31,842,593.75</u>

Note 6: CAPITAL ASSETS (CONT'D)

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2013</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Buildings and Improvements	\$ 58,588.00			\$ 58,588.00
Furniture, Fixtures and Equipment	1,205,537.14	\$ 11,029.53	\$ (18,178.00)	1,198,388.67
Total Capital Assets, being Depreciated	1,264,125.14	11,029.53	(18,178.00)	1,256,976.67
Less Accumulated Depreciation for:				
Buildings and Improvements	(25,735.20)	(3,586.80)		(29,322.00)
Furniture, Fixtures and Equipment	(842,854.89)	(71,660.54)	13,541.96	(900,973.47)
Total Accumulated Depreciation	(868,590.09)	(75,247.34)	13,541.96	(930,295.47)
Business-Type Activities Capital Assets, Net	<u>\$ 395,535.05</u>	<u>\$ (64,217.81)</u>	<u>\$ (4,636.04)</u>	<u>\$ 326,681.20</u>

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:

Instruction-Special Education	\$ 144,491.60
Support Services - Students	17,664.49
Support Services - Instructional Staff	10,159.36
Support Services - General Administration	63,218.57
Support Services - School Administration	5,836.70
Support Services - Plant Operations & Maintenance	471,842.54
Support Services - Pupil Transportation	27,476.44
Support Services - Business Support Services	2,199.14
Unallocated	300,984.26
Total Depreciation Expense - Governmental Activities	<u>\$ 1,043,873.10</u>

Business-Type Activities:

Food Service	\$ 4,934.80
Cress	7,111.65
Therapeutic	428.16
Non Public Services	51,080.33
Cooperative Transportation	3,615.80
Computer Services	8,076.60
Total Depreciation Expense - Business-Type Activities	<u>\$ 75,247.34</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Obligations under Capital Lease		\$ 298,921.00	\$ (45,631.16)	\$ 253,289.84	\$ 56,872.88
Compensated Absences	\$ 992,173.62	31,742.59	(57,395.89)	966,520.32	6,994.04
Total Other Liabilities	992,173.62	330,663.59	(103,027.05)	1,219,810.16	63,866.92
Governmental Activity Long-Term Liabilities	\$ 992,173.62	\$ 330,663.59	\$ (103,027.05)	\$ 1,219,810.16	\$ 63,866.92

Obligations under Capital Lease - The School District is leasing copiers totaling \$298,921.00 under capital leases. All capital leases are for terms of *three to five years*. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 56,872.88	\$ 9,415.12	\$ 66,288.00
2015	59,272.63	7,015.37	66,288.00
2016	61,773.62	4,514.38	66,288.00
2017	64,380.13	1,907.87	66,288.00
2018	10,990.58	56.91	11,047.49
	<u>\$ 253,289.84</u>	<u>\$ 22,909.65</u>	<u>\$ 276,199.49</u>

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 8: 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 plan is administered by Prudential Financial for 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

Note 8: PENSION PLANS (CONT'D)

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.

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, which began 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, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. 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>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2013	\$ 297,146.00	\$ 710,484.00	\$ 1,007,630.00	\$ 59,971.00	\$ 1,067,601.00
2012	319,171.00	638,342.00	957,513.00	61,005.00	1,018,518.00
2011	339,710.00	541,306.00	881,016.00	66,913.00	947,929.00

Note 8: PENSION PLANS (CONT'D)

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.

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>Total Liability</u>	<u>Paid by School District</u>
2013	\$ 4,237.74	\$ 4,237.74
2012	926.00	926.00
2011	926.64	926.64

Note 9: STATE POST-RETIREMENT MEDICAL 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, 2012, there were 97,661 retirees receiving 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$849,739.00 and \$960,840.00, respectively.

Note 11: 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, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

Property
General Liability
Automobile Liability
Workers' Compensation
Educator's Legal Liability
Boiler and Machinery

Joint Insurance Pool (Cont'd) - 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 for the fiscal year ended June 30, 2013, which can be obtained from:

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

Note 12: 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 13: 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, 2013, the liability for compensated absences in the governmental activities and proprietary fund types was \$966,520.32 and \$-0- respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 6,025.39	
Special Revenue	1,571.78	
Enterprise Other		\$ 1,571.78
Fiduciary		6,025.39
	<u>\$ 7,597.17</u>	<u>\$ 7,597.17</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 15: 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, 2013, 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, 2013, the balance in the capital reserve account is \$127,091.00. 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, 2013, the balance in the maintenance reserve account is \$501,500.00. 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, 2013.

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 an anticipated revenue for the fiscal year ending June 30, 2014 \$2,928,411.00 of general fund balance at June 30, 2013.

Other Purposes - As of June 30, 2013, the School District had \$454,098.84 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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, 2013, \$2,018,720.21 of general fund balance was unassigned.

Note 16: 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, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
County Appropriations	\$ 1,227,762.00	-	\$ 1,227,762.00	\$ 1,227,762.00	-
Tuition - LEAs	24,256,764.00	\$ 1,445,250.00	25,702,014.00	26,056,788.14	\$ 354,774.14
Nonresident Fees	795,000.00	(795,000.00)		1,038,950.92	1,038,950.92
Interest Earned on Capital Reserve Funds	100.00	(100.00)			-
Interest Earned on Maintenance Reserve Funds	500.00	(500.00)			-
Miscellaneous	275,400.00	4,138.80	279,538.80	457,817.48	178,278.68
Total Local Sources	26,555,526.00	653,788.80	27,209,314.80	28,781,318.54	1,572,003.74
State Sources:					
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)		-		960,840.00	960,840.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)		-		849,739.00	849,739.00
TPAF Social Security (Reimbursed - Nonbudgeted)		-		955,272.42	955,272.42
Total State Sources	-	-	-	2,765,851.42	2,765,851.42
Federal Sources:					
Special Education Aid - Medicaid Initiative	17,500.00	-	17,500.00	43,736.56	26,236.56
Total Federal Services	17,500.00	-	17,500.00	43,736.56	26,236.56
Total Revenues	26,573,026.00	653,788.80	27,226,814.80	31,590,906.52	4,364,091.72
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Behavioral Disabilities					
Salaries of Teachers	1,454,480.00	(107,431.26)	1,347,048.74	1,341,260.59	5,788.15
Other Salaries for Instruction	554,057.00	2,161.96	556,218.96	552,202.76	4,016.20
Purchased Professional Services	33,378.00	8,344.00	41,722.00	34,587.40	7,134.60
Purchased Technical Services	25,420.00	21,335.00	46,755.00	38,440.40	8,314.60
Cleaning, Repair & Maintenance Service	11,000.00	3,278.50	14,278.50	3,453.71	10,824.79
Rentals	6,298.00	(6,298.00)		-	-
Other Purchased Services	-	200.00	200.00	115.65	84.35
Communications/Telephone	8,200.00	(5,200.00)	3,000.00	960.40	2,039.60
Travel	150.00	600.00	750.00	137.33	612.67
Miscellaneous Services	31,500.00	(9,115.92)	22,384.08	15,743.75	6,640.33
General Supplies	103,297.00	121,455.50	224,752.50	123,415.74	101,336.76
Textbooks	10,500.00	46,428.97	56,928.97	20,905.01	36,023.96
Other Objects	3,000.00	1,253.00	4,253.00	1,948.11	2,304.89
Total Behavioral Disabilities	2,241,280.00	77,011.75	2,318,291.75	2,133,170.85	185,120.90
Multiple Disabilities					
Salaries of Teachers	3,887,715.00	(32,605.93)	3,855,109.07	3,789,089.82	66,019.25
Other Salaries for Instruction	1,831,575.00	(158,922.31)	1,672,652.69	1,596,005.53	76,647.16
Purchased Professional-Educational Services	34,578.00	1,600.00	36,178.00	35,084.60	1,093.40
Purchased Technical Services	58,980.00	85,330.56	144,310.56	128,459.80	15,850.76
Cleaning, Repair & Maintenance Service	20,500.00	(7,449.05)	13,050.95	8,893.63	4,157.32
Rentals	14,391.00	(14,391.00)		-	-
Other Purchased Services		269.85	269.85	269.85	-
Communications/Telephone	27,700.00	(18,392.42)	9,307.58	4,829.94	4,477.64
Travel	250.00	500.00	750.00	262.83	487.17
Miscellaneous Services	168,000.00	(53,585.73)	114,414.27	92,371.31	22,042.96
Miscellaneous Purchase Services	-	20.00	20.00	-	20.00
General Supplies	413,945.00	326,029.01	739,974.01	479,005.86	260,968.15
Textbooks	30,000.00	90,291.48	120,291.48	54,643.36	65,648.12
Miscellaneous Expenditures	3,200.00	1,591.39	4,791.39	2,970.53	1,820.86
Total Multiple Disabilities	6,490,834.00	220,285.85	6,711,119.85	6,191,887.06	519,232.79
Preschool Disabilities - Full-Time:					
Salaries of Teachers	473,475.00	(69,171.97)	404,303.03	386,480.37	17,822.66
Other Salaries for Instruction	130,009.00	56,443.98	186,452.98	185,306.68	1,146.30
Purchased Professional-Educational Services	1,000.00	-	1,000.00	-	1,000.00
Purchased Technical Services	500.00	-	500.00	-	500.00
Cleaning, Repair & Maintenance Service	500.00	-	500.00	-	500.00
Communications/Telephone	1,700.00	1,663.36	3,363.36	1,302.62	2,060.74
Miscellaneous Services	17,000.00	(9,525.00)	7,475.00	3,997.68	3,477.32
General Supplies	43,508.00	(4,245.19)	39,262.81	16,795.36	22,467.45
Miscellaneous Expenditures	1,200.00	(30.00)	1,170.00	-	1,170.00
Total Preschool Disabilities - Full-Time	668,892.00	(24,864.82)	644,027.18	593,882.71	50,144.47

(Continued)

Gloucester County Special Services School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE (CONT'D):					
Home Instruction:					
Purchased Professional Educational Services	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 4,967.00	\$ 5,033.00
Extended School Year:					
Salaries of Teachers	395,000.00	(32,201.87)	362,798.13	362,796.09	2.04
Other Salaries for Instruction	269,500.00	(24,116.85)	245,383.15	245,323.32	59.83
Purchased Professional-Educational Services	4,000.00	(1,000.00)	3,000.00	3,000.00	-
Purchased Technical Services	567,750.00	40,880.04	608,630.04	591,362.50	17,267.54
Con Trn Other Vendors	500.00	(500.00)	-	-	-
General Supplies	12,500.00	3,730.71	16,230.71	15,980.94	249.77
Other Objects	4,500.00	(4,500.00)	-	-	-
Total Extended School Year	1,253,750.00	(17,707.97)	1,236,042.03	1,218,462.85	17,579.18
Total Special Education Instruction	10,664,756.00	254,724.81	10,919,480.81	10,142,370.47	777,110.34
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	71,075.00	3,925.00
Rentals	3,000.00	-	3,000.00	785.00	2,215.00
General Supplies	2,000.00	-	2,000.00	-	2,000.00
Other Objects	500.00	-	500.00	26.00	474.00
Total School - Sponsored Athletics - Instruction	80,500.00	-	80,500.00	71,886.00	8,614.00
Other Instructional Programs - Special Education					
Salaries	210,710.00	50,315.58	261,025.58	259,879.71	1,145.87
Salaries-Princ/Asst	39,964.00	-	39,964.00	9,941.88	30,022.12
Salaries-Other Professional	100,475.00	(24,360.66)	76,114.34	-	76,114.34
Salaries-Other Instructor	31,113.00	18,251.11	49,364.11	36,882.31	12,481.80
Purchased Professional - Educational Services	1,750.00	-	1,750.00	1,750.00	-
Cleaning, Repair & Maintenance Service	500.00	(500.00)	-	-	-
Telephone: Mobile	300.00	19.96	319.96	319.96	-
Misc Service-Lunches	17,500.00	-	17,500.00	-	17,500.00
General Supplies	3,000.00	(19.96)	2,980.04	335.98	2,644.06
Textbooks	1,000.00	-	1,000.00	-	1,000.00
Other Objects	2,000.00	10.00	2,010.00	(5,848.57)	7,858.57
Total Other Instructional Programs - Special Education	408,312.00	43,716.03	452,028.03	303,261.27	148,766.76
Total Instruction	11,157,568.00	298,440.84	11,456,008.84	10,519,517.74	936,491.10
Undistributed Expenditures:					
Attendance & Social Work					
Salaries	111,975.00	(1,804.77)	110,170.23	104,715.53	5,454.70
Travel	-	2,409.80	2,409.80	2,409.80	-
General Supplies	-	1,450.00	1,450.00	1,424.08	25.92
Total Attendance & Social Work	111,975.00	2,055.03	114,030.03	108,549.41	5,480.62
Health Services:					
Salaries	434,970.00	272.00	435,242.00	428,690.75	6,551.25
Purchased Professional and Technical Services	30,000.00	12,239.00	42,239.00	42,239.00	-
Other Purchased Services	1,200.00	(76.50)	1,123.50	150.22	973.28
Travel	200.00	-	200.00	139.56	60.44
General Supplies	35,000.00	-	35,000.00	23,919.77	11,080.23
Miscellaneous Expenditures	1,100.00	-	1,100.00	-	1,100.00
Total Health Services	502,470.00	12,434.50	514,904.50	495,139.30	19,765.20
Speech, OT, PT & Related Services:					
Salaries	235,411.00	60,467.62	295,878.62	272,342.34	23,536.28
Purchased Professional - Educational Services	2,101,000.00	28,879.32	2,129,879.32	2,128,608.00	1,271.32
General Supplies	16,500.00	23,728.90	40,228.90	27,236.92	12,991.98
Other Objects	-	100.00	100.00	26.00	74.00
Total - Speech, OT, PT & Related Services	2,352,911.00	113,175.84	2,466,086.84	2,428,213.26	37,873.58

(Continued)

Gloucester County Special Services School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE (CONT'D):					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 822,645.00	\$ 32,120.49	\$ 854,765.49	\$ 835,562.36	\$ 19,203.13
Salaries-Secr/Clerk	46,271.00	-	46,271.00	45,499.92	771.08
Purchased Professional - Educational Services	267,300.00	41,275.00	308,575.00	308,575.00	-
Other Purchases Professional and Technical Services	5,400.00	7,748.00	13,148.00	13,148.00	-
Cleaning, Repair & Maintenance Service	2,500.00	100.04	2,600.04	2,600.04	-
Communications/Telephone	450.00	15.01	465.01	290.17	174.84
Miscellaneous Purchase Services	10,100.00	(5,099.04)	5,000.96	1,591.62	3,409.34
General Supplies	10,100.00	(2,749.00)	7,351.00	6,398.13	952.87
Other Objects	200.00	-	200.00	-	200.00
Total Child Study Teams	1,164,966.00	73,410.50	1,238,376.50	1,213,665.24	24,711.26
Improvement of Instruction Services/Other Support					
Services - Instruction Staff:					
Salaries of Supervisor of Instruction	96,635.00	101,403.00	198,038.00	198,038.00	-
Salaries of Other Professional Staff	74,338.00	1,738.00	76,076.00	74,726.00	1,350.00
Salaries of Secretarial & Clerical Assistants	68,945.00	32,682.62	101,627.62	101,627.62	-
Other Salaries	3,000.00	-	3,000.00	300.00	2,700.00
Purchased Professional - Educational Services	67,560.00	(10,882.57)	56,677.43	55,767.84	909.59
Other Purchased Professional and Technical Services	1,000.00	4,302.50	5,302.50	4,673.00	629.50
Travel	5,500.00	-	5,500.00	703.36	4,796.64
General Supplies	38,000.00	(17,760.77)	20,239.23	13,886.94	6,352.29
Other Objects	1,000.00	470.00	1,470.00	1,007.00	463.00
Total Improvement of Instruction Services/Other Support Services - Instruction Staff	355,978.00	111,952.78	467,930.78	450,729.76	17,201.02
Educational Media Services/School Library:					
Salaries	-	53,756.25	53,756.25	53,756.25	-
Other Salaries Instructor-Extra	1,500.00	-	1,500.00	1,485.00	15.00
Salaries for Technology Coordinators	221,125.00	58,090.94	279,215.94	276,715.94	2,500.00
Purchased Professional Technical Services	1,000.00	-	1,000.00	-	1,000.00
Rentals	6,710.00	-	6,710.00	5,385.00	1,325.00
Communications/Telephone	2,500.00	-	2,500.00	799.11	1,700.89
General Supplies	2,500.00	725.00	3,225.00	1,796.80	1,428.20
Total Educational Media Services/School Library	235,335.00	112,572.19	347,907.19	339,938.10	7,969.09
Instructional Staff Training Services:					
Travel	10,500.00	(1,016.09)	9,483.91	3,158.73	6,325.18
General Supplies	-	1,016.09	1,016.09	1,016.09	-
Total Instructional Staff Training Services	10,500.00	-	10,500.00	4,174.82	6,325.18
Support Services - General Administration:					
Salaries	38,500.00	185,180.00	223,680.00	223,680.00	-
Legal Services	30,000.00	60,000.00	90,000.00	54,416.34	35,583.66
Audit Fees	52,000.00	-	52,000.00	52,000.00	-
Other Purchased Professional Services	3,500.00	14,725.00	18,225.00	8,046.50	10,178.50
Purchased Technical Services	500.00	(250.00)	250.00	-	250.00
Cleaning, Repair and Maintenance Services	-	2,676.63	2,676.63	2,676.63	-
Rentals	3,957.00	(1,312.87)	2,644.13	-	2,644.13
Insurance	5,900.00	-	5,900.00	5,300.00	600.00
Communications/Telephone	65,000.00	20,536.24	85,536.24	68,604.04	16,932.20
BOE Other Purchased Services	4,000.00	(500.00)	3,500.00	-	3,500.00
Other Purchased Services	3,750.00	(1,225.00)	2,525.00	1,832.76	692.24
Miscellaneous Purchased Services	7,000.00	-	7,000.00	3,262.91	3,737.09
General Supplies	12,750.00	(4,025.00)	8,725.00	6,369.80	2,355.20
BOE In-House Training/Meeting Supplies	3,300.00	1,949.25	5,249.25	5,238.79	10.46
Miscellaneous Expenditures	7,400.00	500.00	7,900.00	6,808.14	1,091.86
BOE Membership Dues and Fees	6,900.00	(124.25)	6,775.75	6,433.40	342.35
Total Support Services General Administration	244,457.00	278,130.00	522,587.00	444,669.31	77,917.69
Support Services School Administration:					
Salaries of Principals/Assistant Principals	761,366.00	78,693.74	840,059.74	747,094.50	92,965.24
Salaries of Other Professional Staff	91,605.00	(76,411.68)	15,193.32	15,193.32	-
Salaries of Secretarial and Clerical Assistants	385,652.00	5,503.79	391,155.79	352,159.51	38,996.28
Purchases Professional and Technical Services	3,000.00	(200.00)	2,800.00	2,800.00	500.00
Cleaning, Repair and Maintenance Services	1,000.00	-	1,000.00	120.00	880.00
Rentals	4,323.00	(4,218.00)	105.00	-	105.00
Postage Expense	550.00	-	550.00	62.77	487.23

(Continued)

Gloucester County Special Services School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE (CONT'D):					
Support Services School Administration (Cont'd):					
Travel	\$ 500.00	\$ -	\$ 500.00	\$ 20.00	\$ 480.00
Technology Supplies	22,700.00	(537.31)	22,162.69	12,531.14	9,631.55
Other Objects	1,600.00	519.75	2,119.75	719.75	1,400.00
Total Support Services School Administration	1,272,296.00	3,350.29	1,275,646.29	1,130,200.99	145,445.30
Central Services:					
Salaries	113,954.00	-	113,954.00	107,234.71	6,719.29
Purchased Professional	8,500.00	-	8,500.00	7,942.00	558.00
Purchased Technical Services	47,675.00	374,987.66	422,662.66	417,841.66	4,821.00
Main/Rep Tec Cen Srv	-	1,225.00	1,225.00	1,220.65	4.35
Miscellaneous. Purchased Services	26,750.00	(2,960.00)	23,790.00	20,528.88	3,261.12
General Supplies	22,000.00	4,485.00	26,485.00	26,346.77	138.23
Miscellaneous Expenditures	7,500.00	(1,000.00)	6,500.00	3,845.02	2,654.98
Total Central Services	226,379.00	376,737.66	603,116.66	584,959.69	18,156.97
Administration Information Technology					
Purchased Technical Services	6,000.00	26,528.63	32,528.63	29,905.80	2,622.83
Cleaning, Repair and Maintenance Services	3,000.00	-	3,000.00	1,935.98	1,064.02
Rentals	3,771.00	(3,771.00)	-	-	-
Travel	6,250.00	(43.63)	6,206.37	391.37	5,815.00
General Supplies	11,500.00	23,348.99	34,848.99	32,540.06	2,308.93
Other Objects	3,500.00	-	3,500.00	-	3,500.00
Total Administration Information Technology:	34,021.00	46,062.99	80,083.99	64,773.21	15,310.78
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	211,078.00	(33,634.53)	177,443.47	153,170.44	24,273.03
General Supplies	37,950.00	174,725.88	212,675.88	193,309.76	19,366.12
Other Objects	3,050.00	-	3,050.00	-	3,050.00
Total Required Maintenance for School Facilities:	252,078.00	141,091.35	393,169.35	346,480.20	46,689.15
Custodial Services:					
Salaries	983,825.00	(3,500.00)	980,325.00	933,719.94	46,605.06
Salaries-Secr/Clerk	46,271.00	-	46,271.00	37,916.60	8,354.40
Salaries Non-Instructor Aides	75,652.00	(19,500.00)	56,152.00	54,384.00	1,768.00
Purchased Technical Services	8,325.00	88,869.00	97,194.00	95,690.00	1,504.00
Cleaning, Repair and Maintenance Services	183,868.00	(90,328.11)	93,539.89	34,329.94	59,209.95
Rental of Land & Bldg Other than Lease Purch Agreement	160,000.00	-	160,000.00	156,540.00	3,460.00
Other Purchased Property Services	47,787.00	(4,236.00)	43,551.00	27,008.78	16,542.22
Insurance	65,000.00	35,280.00	100,280.00	100,276.42	3.58
Miscellaneous Purchased Services	10,500.00	-	10,500.00	-	10,500.00
General Supplies	152,335.00	2,895.78	155,230.78	122,722.93	32,507.85
Energy (Natural Gas)	204,033.00	(73,540.55)	130,492.45	130,492.45	-
Energy (Heat and Electricity)	531,574.00	(73,292.71)	458,281.29	446,376.61	11,904.68
Energy (Gasoline)	17,500.00	3,790.47	21,290.47	18,290.47	3,000.00
Other Objects	26,285.00	3,182.71	29,467.71	11,346.48	18,121.23
Total Custodial Services	2,512,955.00	(130,379.41)	2,382,575.59	2,169,094.62	213,480.97
Care & Upkeep of Grounds					
Salaries	90,586.00	(3,432.61)	87,153.39	68,259.10	18,894.29
Purchased Professional and Technical Services	4,000.00	-	4,000.00	1,794.00	2,206.00
Cleaning, Repair and Maintenance Services	20,000.00	(10,115.29)	9,884.71	4,427.86	5,456.85
General Supplies	56,000.00	(11,862.00)	44,138.00	28,170.97	15,967.03
Other Objects	1,200.00	-	1,200.00	110.00	1,090.00
Total Care and Upkeep of Grounds	171,786.00	(25,409.90)	146,376.10	102,761.93	43,614.17
Security					
Salaries	5,000.00	(5,000.00)	-	-	-
Purchased Professional and Technical Services	185,200.00	10,526.81	195,726.81	195,726.81	-
Purchase Technical Services	-	1,050.00	1,050.00	1,050.00	-
Cleaning Repair and Maintenance Services	4,500.00	9,022.69	13,522.69	13,522.69	-
General Supplies	5,000.00	(411.60)	4,588.40	4,435.27	153.13
Other Objects	200.00	-	200.00	-	200.00
Total Security	199,900.00	15,187.90	215,087.90	214,734.77	353.13
Total Operation and Maintenance of Plant Services	3,136,719.00	489.94	3,137,208.94	2,833,071.52	304,137.42

(Continued)

Gloucester County Special Services School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE (CONT'D):					
Student Transportation Services:					
Salaries - Other than between Home and School	\$ 9,000.00	\$ 9,345.24	\$ 18,345.24	\$ 17,683.10	\$ 662.14
Other Purchased Professional and Technical Services	750.00	-	750.00	609.00	141.00
Cleaning, Repair, Maintenance Services	500.00	-	500.00	-	500.00
Contracted Services (Other Than Between Home & School) - Ve	5,000.00	(173.48)	4,826.52	4,141.75	684.77
Miscellaneous. Purchased Services - Transportation	200.00	-	200.00	-	200.00
General Supplies	1,000.00	3,128.24	4,128.24	4,123.63	4.61
Other Objects	750.00	96.00	846.00	620.00	226.00
Total Student Transportation Services	17,200.00	12,396.00	29,596.00	27,177.48	2,418.52
Unallocated Benefits- Employee Benefits:					
Social Security Contributions - Other	557,813.00	(39,042.98)	518,770.02	518,770.02	-
Other Retirement Contributions - Regular	798,409.00	(224,781.86)	573,627.14	573,607.98	19.16
Unemployment Compensation	87,059.00	4,844.36	91,903.36	91,903.36	-
Workmen's Compensation	210,000.00	204,050.00	414,050.00	414,048.43	1.57
Health Benefits	5,285,715.00	(514,909.20)	4,770,805.80	4,770,805.80	-
Tuition Reimbursement	99,000.00	16,752.71	115,752.71	114,941.65	811.06
Other Employee Benefits	90,000.00	(4,491.23)	85,508.77	84,357.77	1,151.00
Total Other Instructional Programs - Employee Benefits	7,127,996.00	(557,578.20)	6,570,417.80	6,568,435.01	1,982.79
Nonbudgeted:					
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				960,840.00	(960,840.00)
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				849,739.00	(849,739.00)
Reimbursed TPAF Social Security Contributions				955,272.42	(955,272.42)
Total Nonbudgeted				2,765,851.42	(2,765,851.42)
Total Undistributed Expenses	16,793,203.00	585,189.52	17,378,392.52	19,459,548.52	(2,081,156.00)
Total Expenditures - Current Expense	27,950,771.00	883,630.36	28,834,401.36	29,979,066.26	(1,144,664.90)
CAPITAL OUTLAY:					
Special Education - Instruction					
Behavioral Disabilities		43,071.48	43,071.48	43,071.48	-
Instructional Technology	7,600.00	14,470.33	22,070.33	16,917.67	5,152.66
Multiple Disabilities		129,214.45	129,214.45	129,214.45	-
Instructional Technology	21,600.00	50,361.01	71,961.01	56,503.00	15,458.01
Instructional Technology	9,700.00	18,046.00	27,746.00	18,046.00	9,700.00
Undistributed Expenditures:					
Support Services - Related and Extraordinary	9,700.00	(3,904.76)	5,795.24	4,236.00	1,559.24
Improvement Instruction		3,523.96	3,523.96	3,523.96	-
Admin. Info. Technology	7,600.00	49,904.83	57,504.83	52,351.22	5,153.61
Required Main. for School Facilities		14,893.42	14,893.42	14,893.42	-
Care and Upkeep of Grounds	27,500.00	38,697.00	66,197.00	66,197.00	-
Security	30,000.00	(30,000.00)		-	-
Total Equipment	113,700.00	328,277.72	441,977.72	404,954.20	37,023.52
Facilities Acquisition and Construction Services:					
Legal Services		500.00	500.00	468.00	32.00
Other Professional Technical Services		4,800.00	4,800.00	4,800.00	-
Construction Services		11,712.27	11,712.27	11,712.27	-
Lease Purchase Agreements - Principal		45,631.16	45,631.16	45,631.16	-
Other Objects	1,000,000.00		1,000,000.00	1,000,000.00	-
Interest-Lease/Purchase		9,608.84	9,608.84	9,608.84	-
Total - Facilities Acquisition and Construction Services	1,000,000.00	72,252.27	1,072,252.27	1,072,220.27	32.00
CAPITAL OUTLAY (CONT'D):					
Assets Acquired Under Capital Lease (non-budgeted):					
Regular Programs - Instruction: School Administration				298,921.00	
Total Assets Acquired Under Capital Lease (Non-Budgeted):				298,921.00	
Total Capital Outlay	1,113,700.00	400,529.99	1,514,229.99	1,776,095.47	37,055.52
Total Expenditures	29,064,471.00	1,284,160.35	30,348,631.35	31,755,161.73	(1,107,609.38)

(Continued)

Gloucester County Special Services School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,491,445.00)	\$ (630,371.55)	\$ (3,121,816.55)	\$ (164,255.21)	\$ 3,256,482.34
Other Financing Sources/(Uses):					
Tuition Adjustment Refunds				(18,974.86)	18,974.86
Prior Year Accounts Receivable Cancelled				(34,840.64)	34,840.64
Prior Year Accounts Payable Cancelled				62,432.01	
Capital Lease (Non-Budget)				298,921.00	(298,921.00)
Total Other Financing Sources/(Uses)		-	-	307,537.51	(245,105.50)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,491,445.00)	(630,371.55)	(3,121,816.55)	143,282.30	3,011,376.84
Fund Balances, July 1	5,886,538.75		5,886,538.75	5,886,538.75	-
Fund Balances, June 30	<u>\$ 3,395,093.75</u>	<u>\$ (630,371.55)</u>	<u>\$ 2,764,722.20</u>	<u>\$ 6,029,821.05</u>	<u>\$ 3,011,376.84</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 127,091.00	
Maintenance Reserve				501,500.00	
Assigned:					
Year End Encumbrances				454,098.84	
Subsequent Year's Expenditures				2,928,411.00	
Unassigned:					
General Fund				2,018,720.21	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,029,821.05</u>	

Gloucester County Special Services School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
State Sources	\$ 301,905.00	\$ 301,905.00	-
Federal Sources	2,825,949.23	1,761,409.95	\$ (1,064,539.28)
Other Sources	104,823.48	70,376.75	(34,446.73)
	<u>3,232,677.71</u>	<u>2,133,691.70</u>	<u>(1,098,986.01)</u>
Total - Revenues			
EXPENDITURES			
Instruction:			
Salaries of Teachers	340,560.30	233,541.03	107,019.27
Other Purchased Services	446,960.00	230,992.53	215,967.47
General Supplies	42,782.74	41,562.59	1,220.15
Other Objects	700.00	300.00	400.00
Miscellaneous	110.55	-	110.55
	<u>831,113.59</u>	<u>506,396.15</u>	<u>324,717.44</u>
Total Instruction			
Support Services:			
Salaries of Supervisors of Instruction	1,092,040.77	717,069.29	374,971.48
Salaries of Other Professional Staff	280,680.12	280,680.12	-
Salaries - Other	162.50	162.50	-
Employee Benefits	395,587.15	283,905.28	111,681.87
Purchased Professional and Technical Services	84,052.31	39,295.46	44,756.85
Purchased Professional Educational Services	5,183.00	4,883.00	300.00
Purchased Property Services	76,158.42	38,479.63	37,678.79
Other Purchased Professional Services	191,074.76	108,622.28	82,452.48
Telephone	8,725.20	6,675.60	2,049.60
Travel	36,699.00	27,106.52	9,592.48
Supplies and Materials	43,474.57	31,932.72	11,541.85
Equipment	14,822.00	14,822.00	-
Indirect Costs	121,278.00	65,646.45	55,631.55
Miscellaneous Expenditures	51,626.32	8,014.70	43,611.62
	<u>2,401,564.12</u>	<u>1,627,295.55</u>	<u>774,268.57</u>
Total Support Services			
Total Expenditures			
	<u>3,232,677.71</u>	<u>2,133,691.70</u>	<u>1,098,986.01</u>
Excess/(Deficiency) of Revenues			
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, 2013

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	\$ 31,590,906.52	\$ 2,133,691.70
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		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 31,590,906.52	\$ 2,133,691.70
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,755,161.73	\$ 2,133,691.70
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	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 31,755,161.73	\$ 2,133,691.70

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, 2013

	McKinney Education Homeless Children	McKinney Education Homeless Children Carryover	Migrant Education Project 2013	Migrant Education Project 2012	Education Foundation Grant Respite	Education Foundation Grant Social Skills	Total Carried Forward
REVENUES:							
State Sources							-
Federal Sources	\$ 172,728.20	\$ 57,626.11	\$ 527,789.03	\$ 1,003,266.61			\$ 1,761,409.95
Other Sources					\$ 17,226.47	\$ 27,595.51	44,821.98
Total Revenues	<u>172,728.20</u>	<u>57,626.11</u>	<u>527,789.03</u>	<u>1,003,266.61</u>	<u>17,226.47</u>	<u>27,595.51</u>	<u>1,806,231.93</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	17,850.25	500.00	71,841.54	96,416.73	15,916.26	24,666.25	227,191.03
Other Purchased Services	307.53	14,885.00	100.00	215,700.00			230,992.53
General Supplies	2,576.84	989.31	8,091.14	28,905.87		999.43	41,562.59
Other Objects				300.00			300.00
Total Instruction	<u>20,734.62</u>	<u>16,374.31</u>	<u>80,032.68</u>	<u>341,322.60</u>	<u>15,916.26</u>	<u>25,665.68</u>	<u>500,046.15</u>
Support Services:							
Salaries Supervisors of Instruction	95,829.15	17,138.73	269,589.03	334,512.38			717,069.29
Salaries of Other Professional Staff							-
Salaries - Other							-
Employee Benefits	47,393.68	6,433.06	132,738.24	86,198.93	1,310.21	1,929.83	276,003.95
Purchased Professional and Technical Services		54.99	443.99	38,796.48			39,295.46
Purchased Professional Educational Services				4,683.00			4,683.00
Purchased Property Services			191.26	37,361.37			37,552.63
Other Purchased Professional Services	6,563.13	8,415.14	5,908.13	86,702.78			107,589.18
Telephone			3,951.08	2,724.52			6,675.60
Travel	2,145.04	273.42	9,944.61	13,059.57			25,422.64
Supplies and Materials	62.58	971.01	4,169.01	21,044.98			26,247.58
Equipment							-
Indirect Costs		7,965.45	20,821.00	36,860.00			65,646.45
Miscellaneous Expenditures							-
Total Support Services	<u>151,993.58</u>	<u>41,251.80</u>	<u>447,756.35</u>	<u>661,944.01</u>	<u>1,310.21</u>	<u>1,929.83</u>	<u>1,306,185.78</u>
Total Expenditures	<u>\$ 172,728.20</u>	<u>\$ 57,626.11</u>	<u>\$ 527,789.03</u>	<u>\$ 1,003,266.61</u>	<u>\$ 17,226.47</u>	<u>\$ 27,595.51</u>	<u>\$ 1,806,231.93</u>

(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, 2013

	Total Brought Forward	Education Foundation Community	School Based Youth Services Donations	School Based Youth Services 2013	NJSBAIG	McDonald's Charities	Total
REVENUES:							
State Sources	-			\$ 301,905.00			\$ 301,905.00
Federal Sources	\$ 1,761,409.95						1,761,409.95
Other Sources	44,821.98	\$ 6,876.87	\$ 2,928.90		\$ 15,010.00	\$ 739.00	70,376.75
Total Revenues	1,806,231.93	6,876.87	2,928.90	301,905.00	15,010.00	739.00	2,133,691.70
EXPENDITURES:							
Instruction:							
Salaries of Teachers	227,191.03	6,350.00					233,541.03
Other Purchased Services	230,992.53						230,992.53
General Supplies	41,562.59						41,562.59
Other Objects	300.00						300.00
Total Instruction	500,046.15	6,350.00	-	-	-	-	506,396.15
Support Services:							
Salaries Supervisors of Instruction	717,069.29						717,069.29
Salaries of Other Professional Staff	-			280,680.12			280,680.12
Salaries - Other	-			162.50			162.50
Employee Benefits	276,003.95	526.87		7,374.46			283,905.28
Purchased Professional and Technical Services	39,295.46						39,295.46
Purchased Professional Educational Services	4,683.00			200.00			4,883.00
Purchased Property Services	37,552.63				927.00		38,479.63
Other Purchased Professional Services	107,589.18		412.50	620.60			108,622.28
Telephone	6,675.60						6,675.60
Travel	25,422.64			1,683.88			27,106.52
Supplies and Materials	26,247.58			5,685.14			31,932.72
Equipment	-				14,083.00	739.00	14,822.00
Indirect Costs	65,646.45						65,646.45
Miscellaneous Expenditures	-		2,516.40	5,498.30			8,014.70
Total Support Services	1,306,185.78	526.87	2,928.90	301,905.00	15,010.00	739.00	1,627,295.55
Total Expenditures	\$ 1,806,231.93	\$ 6,876.87	\$ 2,928.90	\$ 301,905.00	\$ 15,010.00	\$ 739.00	\$ 2,133,691.70

CAPITAL PROJECTS FUND

Gloucester County Special Services School District
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2013

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(a) Bankbridge Schools Facade Project	5/1/11	\$ 330,000.00	\$ 286,984.77	\$ 43,015.23	\$ -

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, 2013

Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	\$ 1,500.00
Construction Services	<u>41,515.23</u>
Total Expenditures and Other Financing Uses	<u>43,015.23</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(43,015.23)
Fund Balance, June 30, 2012	<u>43,015.23</u>
Fund Balance, June 30, 2013	<u><u>\$ -</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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	93,372.27	\$ 1,500.00	94,872.27	95,000.00
Construction Services	193,612.50	41,515.23	235,127.73	235,000.00
Total Expenditures and Other Financing Uses	<u>286,984.77</u>	<u>43,015.23</u>	<u>330,000.00</u>	<u>330,000.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 43,015.23</u>	<u>\$ (43,015.23)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information				
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				
Percentage Completion	100.00%			
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 Position
 June 30, 2013

	Food Service Fund	Other Funds Exhibit G-1c	Total
ASSETS:			
Cash & Cash Equivalents	\$ 55,892.01	\$ 7,265,097.56	\$ 7,320,989.57
Accounts Receivable		504,103.05	504,103.05
Intergovernmental Accounts Receivable:			
State	931.20		931.20
Federal	44,466.36		44,466.36
Other	2,327.48	4,030,097.29	4,032,424.77
Net, Capital Assets	39,383.39	287,297.81	326,681.20
Inventories	3,884.82		3,884.82
	<u>146,885.26</u>	<u>12,086,595.71</u>	<u>12,233,480.97</u>
Total Assets			
LIABILITIES:			
Cash Deficit		513,058.14	513,058.14
Accounts Payable		214,443.34	214,443.34
Unearned Revenues		2,400.00	2,400.00
Interfund Accounts Payable		1,571.78	1,571.78
Intergovernmental Accounts Payable - Other		500,000.00	500,000.00
		<u>1,231,473.26</u>	<u>1,231,473.26</u>
Total Liabilities	<u>-</u>		
NET POSITION:			
Net Investment in Capital Assets	39,383.39	287,297.81	326,681.20
Unrestricted	107,501.87	10,567,824.64	10,675,326.51
	<u>146,885.26</u>	<u>10,855,122.45</u>	<u>11,002,007.71</u>
Total Net Position			

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Net Position
June 30, 2013

	<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>
ASSETS:								
Cash & Cash Equivalents	\$ 2,209,355.85			\$ 8,774.73		\$ 2,228,528.75	\$ 11,212.21	\$ 4,457,871.54
Accounts Receivable		\$ 600.00	\$ 496,028.18		\$ 120.87			496,749.05
Intergovernmental Accounts Receivable: Other	1,170,769.18					825,654.52		1,996,423.70
Interfund Accounts Receivable								
Net, Capital Assets	<u>37,599.74</u>		<u>225,963.12</u>					<u>263,562.86</u>
Total Assets	<u>3,417,724.77</u>	<u>600.00</u>	<u>721,991.30</u>	<u>8,774.73</u>	<u>120.87</u>	<u>3,054,183.27</u>	<u>11,212.21</u>	<u>7,214,607.15</u>
LIABILITIES:								
Cash Deficit		27,108.86	100,863.47		15,217.76			143,190.09
Accounts Payable	100,024.62	721.00	24,479.55		1,236.09	49,856.79		176,318.05
Unearned Revenues	600.00							600.00
Interfund Accounts Payable	1,571.78							1,571.78
Intergovernmental Accounts Payable - Other						500,000.00		500,000.00
Total Liabilities	<u>102,196.40</u>	<u>27,829.86</u>	<u>125,343.02</u>		<u>16,453.85</u>	<u>549,856.79</u>		<u>821,679.92</u>
NET POSITION:								
Net Investment in Capital Assets	37,599.74		225,963.12					263,562.86
Unrestricted	<u>3,277,928.63</u>	<u>(27,229.86)</u>	<u>370,685.16</u>	<u>8,774.73</u>	<u>(16,332.98)</u>	<u>2,504,326.48</u>	<u>11,212.21</u>	<u>6,129,364.37</u>
Total Net Position	<u>\$ 3,315,528.37</u>	<u>\$ (27,229.86)</u>	<u>\$ 596,648.28</u>	<u>\$ 8,774.73</u>	<u>\$ (16,332.98)</u>	<u>\$ 2,504,326.48</u>	<u>\$ 11,212.21</u>	<u>\$ 6,392,927.23</u>

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Net Position
June 30, 2013

	<u>Total Brought Forward</u>	<u>Therapeutic Recreation Program</u>	<u>Auxiliary Services</u>	<u>Cooperative Transportation Project</u>	<u>Employee Assistance Program</u>	<u>Nonpublic Textbook Publishing</u>	<u>Additional Remedial Services Chapter I</u>	<u>Total Carried Forward</u>
ASSETS:								
Cash & Cash Equivalents	\$ 4,457,871.54	\$ 120,447.06	\$ 194,125.84		\$ 46,371.21	\$ 145,333.08	\$ 581,060.99	\$ 5,545,209.72
Accounts Receivable	496,749.05							496,749.05
Intergovernmental Accounts Receivable:								
Other	1,996,423.70		9,285.00	\$ 1,773,866.62	34,710.00		161,621.57	3,975,906.89
Interfund Accounts Receivable								
Net, Capital Assets	<u>263,562.86</u>	<u>535.23</u>	<u> </u>	<u>21,853.62</u>	<u> </u>	<u> </u>	<u> </u>	<u>285,951.71</u>
Total Assets	<u>7,214,607.15</u>	<u>120,982.29</u>	<u>203,410.84</u>	<u>1,795,720.24</u>	<u>81,081.21</u>	<u>145,333.08</u>	<u>742,682.56</u>	<u>10,303,817.37</u>
LIABILITIES:								
Cash Deficit	143,190.09			369,868.05				513,058.14
Accounts Payable	176,318.05		430.60	26,508.74		6,559.96		209,817.35
Unearned Revenues	600.00	1,800.00						2,400.00
Interfund Accounts Payable	1,571.78							1,571.78
Intergovernmental Accounts Payable - Other	500,000.00							500,000.00
Total Liabilities	<u>821,679.92</u>	<u>1,800.00</u>	<u>430.60</u>	<u>396,376.79</u>	<u> </u>	<u> </u>	<u>6,559.96</u>	<u>1,226,847.27</u>
NET POSITION:								
Net Investment in Capital Assets	263,562.86	535.23		21,853.62				285,951.71
Unrestricted	<u>6,129,364.37</u>	<u>118,647.06</u>	<u>202,980.24</u>	<u>1,377,489.83</u>	<u>81,081.21</u>	<u>145,333.08</u>	<u>736,122.60</u>	<u>8,791,018.39</u>
Total Net Position	<u>\$ 6,392,927.23</u>	<u>\$ 119,182.29</u>	<u>\$ 202,980.24</u>	<u>\$ 1,399,343.45</u>	<u>\$ 81,081.21</u>	<u>\$ 145,333.08</u>	<u>\$ 736,122.60</u>	<u>\$ 9,076,970.10</u>

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Net Position
June 30, 2013

	<u>Total Brought Forward</u>	<u>Summer Food Service</u>	<u>Goals for Youth Program</u>	<u>Together Shelter Homeless Instruction</u>	<u>Computer Services</u>	<u>Total</u>
ASSETS:						
Cash & Cash Equivalents	\$ 5,545,209.72	\$ 2,255.58	\$ 69,264.60	\$ 106,425.60	\$ 1,541,942.06	\$ 7,265,097.56
Accounts Receivable	496,749.05			7,354.00		504,103.05
Intergovernmental Accounts Receivable:						
Other	3,975,906.89			53,628.75	561.65	4,030,097.29
Interfund Accounts Receivable						
Net, Capital Assets	<u>285,951.71</u>				<u>1,346.10</u>	<u>287,297.81</u>
Total Assets	<u>10,303,817.37</u>	<u>2,255.58</u>	<u>69,264.60</u>	<u>167,408.35</u>	<u>1,543,849.81</u>	<u>12,086,595.71</u>
LIABILITIES:						
Cash Deficit	513,058.14					513,058.14
Accounts Payable	209,817.35	452.94		578.62	3,594.43	214,443.34
Unearned Revenues	2,400.00					2,400.00
Interfund Accounts Payable	1,571.78					1,571.78
Intergovernmental Accounts Payable - Other	<u>500,000.00</u>					<u>500,000.00</u>
Total Liabilities	<u>1,226,847.27</u>	<u>452.94</u>		<u>578.62</u>	<u>3,594.43</u>	<u>1,231,473.26</u>
NET POSITION:						
Net Investment in Capital Assets	285,951.71				1,346.10	287,297.81
Unrestricted	<u>8,791,018.39</u>	<u>1,802.64</u>	<u>69,264.60</u>	<u>166,829.73</u>	<u>1,538,909.28</u>	<u>10,567,824.64</u>
Total Net Position	<u>\$ 9,076,970.10</u>	<u>\$ 1,802.64</u>	<u>\$ 69,264.60</u>	<u>\$ 166,829.73</u>	<u>\$ 1,540,255.38</u>	<u>\$ 10,855,122.45</u>

Gloucester County Special Services School District

Enterprise Fund

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2013

	Food Service Fund	Other Funds Exhibit G-2b	Total
OPERATING REVENUES:			
Local Sources			
Daily Sales - Non-Reimbursable Programs	\$ 109,715.67		\$ 109,715.67
Special Functions	33,135.35		33,135.35
County Tax Levy		\$ 335,316.00	335,316.00
Fees for Services		25,036,780.19	25,036,780.19
Total Operating Revenues	<u>142,851.02</u>	<u>25,372,096.19</u>	<u>25,514,947.21</u>
OPERATING EXPENSES:			
Cost of Goods Sold	250,219.15	143,645.01	393,864.16
Salaries		10,509,135.62	10,509,135.62
Employee Benefits		4,433,650.12	4,433,650.12
Purchased Professional/Educational Services		7,033.81	7,033.81
Purchased Professional/Professional Services		89,112.41	89,112.41
Purchased Professional/Technical Services	4,213.53	143,119.83	147,333.36
Purchased Professional/Shared Services		236,469.00	236,469.00
Other Purchased Services		80,874.72	80,874.72
Contracted Services	24,671.22	8,272,050.28	8,296,721.50
Printing and Binding		3,875.77	3,875.77
Utilities		7,188.29	7,188.29
Postage Expense		352.03	352.03
Miscellaneous Purchased Services	195,951.12	-	195,951.12
Operations and Maintenance		49,178.63	49,178.63
Travel		21,921.09	21,921.09
Supplies and Materials	4,314.88	116,272.56	120,587.44
Textbooks		91,011.99	91,011.99
Miscellaneous Expenditures	498.19	2,040.06	2,538.25
Rental of Land and Buildings		25,000.00	25,000.00
Depreciation	4,934.80	70,312.54	75,247.34
Total Operating Expenses	<u>484,802.89</u>	<u>24,302,243.76</u>	<u>24,787,046.65</u>
Operating Gain/ (Loss)	<u>(341,951.87)</u>	<u>1,069,852.43</u>	<u>727,900.56</u>
NONOPERATING REVENUES (EXPENSES):			
Local Source:			
State Source:			
State School Lunch Program	4,802.29		4,802.29
Federal Source:			
National School Lunch Program	149,073.89		149,073.89
National School Breakfast Program	77,925.23		77,925.23
Food Distribution Program	30,121.57		30,121.57
Migrant Summer Food Program		91,959.00	91,959.00

(Continued)

Gloucester County Special Services School District
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2013

	<u>Food Service Fund</u>	<u>Other Funds Exhibit G-2b</u>	<u>Total</u>
NONOPERATING REVENUES (EXPENSES) (CONT'D):			
Local Source (Cont'd):			
Refund of Prior Year Revenue		\$ (8,052.19)	\$ (8,052.19)
Loss on Disposal of Fixed Assets		(4,636.04)	(4,636.04)
Cancellation of Prior Year Receivable		(61,960.77)	(61,960.77)
Total Nonoperating Revenues (Expenses)	<u>\$ 261,922.98</u>	<u>17,310.00</u>	<u>279,232.98</u>
Income (Loss) Before Transfers	(80,028.89)	1,087,162.43	1,007,133.54
Contribution to County of Gloucester		(1,050,000.00)	(1,050,000.00)
Change in Net Position	(80,028.89)	37,162.43	(42,866.46)
Net Position -- July 1	<u>226,914.15</u>	<u>10,817,960.02</u>	<u>11,044,874.17</u>
Net Position -- June 30	<u>\$ 146,885.26</u>	<u>\$ 10,855,122.45</u>	<u>\$ 11,002,007.71</u>

(Continued)

Gloucester County Special Services School District
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2013

OPERATING REVENUES:	<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>Therapeutic Recreation Program</u>	<u>Auxiliary Services</u>	<u>Total Carried Forward</u>
Local Sources										
County Tax Levy	\$ 86,107.00	\$ 171,833.00			\$ 77,376.00					\$ 335,316.00
Fees for Services	7,494,676.01	11,200.00	1,636,503.74	451.15	253,621.82	5,135,175.25	1,300.00	65,795.00	32,015.00	14,630,737.97
Total Operating Revenues	7,580,783.01	183,033.00	1,636,503.74	451.15	330,997.82	5,135,175.25	1,300.00	65,795.00	32,015.00	14,966,053.97
OPERATING EXPENSES:										
Cost of Goods Sold					143,645.01					143,645.01
Salaries	5,543,412.57	107,253.74	1,074,524.19		115,774.85	2,593,843.17	2,135.00		21,320.00	9,458,263.52
Employee Benefits	1,379,757.39	22,843.23	254,092.31		43,765.31	2,233,799.18	473.99		1,738.51	3,936,469.92
Purchased Professional/Educational Services	2,067.81		4,716.00							6,783.81
Purchased Professional/Professional Services			3,160.50	301.15				7,600.00		11,061.65
Purchased Professional/Technical Services	304.68		8,741.00							9,045.68
Purchased Professional/Shared Services	221,310.00									221,310.00
Other Purchased Services		840.00								840.00
Contracted Services		1,000.00						12,279.75		13,279.75
Printing/Binding	1,092.22		2,783.55							3,875.77
Utilities	1,496.59		3,323.21				13.59			4,833.39
Postage Expense	352.03									352.03
Operations and Maintenance			7,041.35							7,041.35
Travel	13,126.31		3,677.82				27.44			16,831.57
Supplies and Materials	22,081.73		57,320.19					14,822.44		94,224.36
Textbooks			91,011.99							91,011.99
Miscellaneous Expenditures	259.19	153.00	23.25							435.44
Rental of Land and Buildings			25,000.00							25,000.00
Depreciation	7,111.65		51,080.33					428.16		58,620.14
Total Operating Expenses	7,192,372.17	132,089.97	1,586,495.69	301.15	303,185.17	4,827,642.35	2,650.02	35,130.35	23,058.51	14,102,925.38
Operating Gain/ (Loss)	388,410.84	50,943.03	50,008.05	150.00	27,812.65	307,532.90	(1,350.02)	30,664.65	8,956.49	863,128.59
NONOPERATING REVENUES (EXPENSES):										
Local Source:										
Federal Source:										
Migrant Summer Food Program										-
Refund of Prior Year Revenue	(7,356.94)					(275.25)				(7,632.19)
Gain/Loss on Fixed Asset Disposals	(4,636.04)									(4,636.04)
Cancellation of Prior Year Receivable			(0.34)				(61,960.00)			(61,960.34)
Total Nonoperating Revenues (Expenses)	(11,992.98)	-	(0.34)	-	-	(275.25)	(61,960.00)	-	-	(74,228.57)
Income (Loss) Before Transfers	376,417.86	50,943.03	50,007.71	150.00	27,812.65	307,257.65	(63,310.02)	30,664.65	8,956.49	788,900.02
Contribution to County of Gloucester						(1,000,000.00)		(50,000.00)		(1,050,000.00)
Change in Net Position	376,417.86	50,943.03	50,007.71	150.00	27,812.65	(692,742.35)	(63,310.02)	(19,335.35)	8,956.49	(261,099.98)
Net Position -- July 1	2,939,110.51	(78,172.89)	546,640.57	8,624.73	(44,145.63)	3,197,068.83	74,522.23	138,517.64	194,023.75	6,976,189.74
Net Position -- June 30	<u>\$ 3,315,528.37</u>	<u>\$ (27,229.86)</u>	<u>\$ 596,648.28</u>	<u>\$ 8,774.73</u>	<u>\$ (16,332.98)</u>	<u>\$ 2,504,326.48</u>	<u>\$ 11,212.21</u>	<u>\$ 119,182.29</u>	<u>\$ 202,980.24</u>	<u>\$ 6,715,089.76</u>

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

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	\$ 335,316.00									\$ 335,316.00
Fees for Services	14,630,737.97	\$ 8,845,217.88	\$ 85,770.00	\$ 9,750.16	\$ 597,361.22	\$ 318.98	\$ 9,998.00	\$ 95,492.75	\$ 762,133.23	25,036,780.19
Total Operating Revenues	14,966,053.97	8,845,217.88	85,770.00	9,750.16	597,361.22	318.98	9,998.00	95,492.75	762,133.23	25,372,096.19
OPERATING EXPENSES:										
Cost of Goods Sold	143,645.01									143,645.01
Salaries	9,458,263.52	177,938.40			585,542.72	9,657.25	6,463.75	43,827.49	227,442.49	10,509,135.62
Employee Benefits	3,936,469.92	75,487.51		65.34	305,460.80	746.50	650.29	5,162.67	109,607.09	4,433,650.12
Purchased Professional/Educational Services	6,783.81	250.00								7,033.81
Purchased Professional/Professional Services	11,061.65		78,050.76							89,112.41
Purchased Professional/Technical Services	9,045.68	2,510.00		840.00					130,724.15	143,119.83
Purchased Professional/Shared Services	221,310.00								15,159.00	236,469.00
Other Purchased Services	840.00					80,034.72				80,874.72
Contracted Services	13,279.75	8,258,770.53								8,272,050.28
Printing/Binding	3,875.77									3,875.77
Utilities	4,833.39	2,054.21			300.69					7,188.29
Postage Expense	352.03									352.03
Operations and Maintenance	7,041.35				1,614.90				40,522.38	49,178.63
Travel	16,831.57	3,275.89			330.89	249.86	225.30		1,007.58	21,921.09
Supplies and Materials	94,224.36	2,018.94			6,540.50	101.00	424.89	231.30	12,731.57	116,272.56
Textbooks	91,011.99									91,011.99
Miscellaneous Expenditures	435.44	525.00					538.01		541.61	2,040.06
Rental of Land and Buildings	25,000.00									25,000.00
Depreciation	58,620.14	3,615.80			-				8,076.60	70,312.54
Total Operating Expenses	14,102,925.38	8,526,446.28	78,050.76	905.34	899,790.50	90,789.33	8,302.24	49,221.46	545,812.47	24,302,243.76
Operating Gain/ (Loss)	863,128.59	318,771.60	7,719.24	8,844.82	(302,429.28)	(90,470.35)	1,695.76	46,271.29	216,320.76	1,069,852.43
NONOPERATING REVENUES (EXPENSES):										
Local Source:										
Federal Source:										
Summer Food Program	-					91,959.00				91,959.00
Refund of Prior Year Revenue	(7,632.19)							(420.00)		(8,052.19)
Gain/Loss on Fixed Asset Disposals	(4,636.04)									(4,636.04)
Cancellation of Prior Year Receivable	(61,960.34)	(0.22)			(0.21)					(61,960.77)
Total Nonoperating Revenues (Expenses)	(74,228.57)	(0.22)	-	-	(0.21)	91,959.00	-	(420.00)	-	17,310.00
Income (Loss) Before Transfers	788,900.02	318,771.38	7,719.24	8,844.82	(302,429.49)	1,488.65	1,695.76	45,851.29	216,320.76	1,087,162.43
Contribution to County of Gloucester	(1,050,000.00)									(1,050,000.00)
Change in Net Position	(261,099.98)	318,771.38	7,719.24	8,844.82	(302,429.49)	1,488.65	1,695.76	45,851.29	216,320.76	37,162.43
Net Position -- July 1	6,976,189.74	1,080,572.07	73,361.97	136,488.26	1,038,552.09	313.99	67,568.84	120,978.44	1,323,934.62	10,817,960.02
Net Position -- June 30	\$ 6,715,089.76	\$ 1,399,343.45	\$ 81,081.21	\$ 145,333.08	\$ 736,122.60	\$ 1,802.64	\$ 69,264.60	\$ 166,829.73	\$ 1,540,255.38	\$ 10,855,122.45

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	Food Service Fund	Other Funds Exhibit G-3c	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 140,523.54	\$ 24,069,103.79	\$ 24,209,627.33
County Budget Appropriation		335,316.00	335,316.00
Payments to Employees		(10,437,548.63)	(10,437,548.63)
Payments for Employee Benefits		(4,433,650.12)	(4,433,650.12)
Payments to Vendors	(460,322.52)	(9,207,593.80)	(9,667,916.32)
Net Cash Provided by (used for) Operating Activities	<u>(319,798.98)</u>	<u>325,627.24</u>	<u>5,828.26</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Refund of Prior Year Revenue		(8,052.19)	(8,052.19)
Cash Received from State & Federal Reimbursements	196,844.65	91,959.00	288,803.65
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>196,844.65</u>	<u>83,906.81</u>	<u>280,751.46</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Contribution to County of Gloucester		(550,000.00)	(550,000.00)
Net Cash Provided by Investing Activities	<u>-</u>	<u>(550,000.00)</u>	<u>(550,000.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(122,954.33)	(140,465.95)	(263,420.28)
Cash and Cash Equivalents -- July 1	<u>178,846.34</u>	<u>6,892,505.37</u>	<u>7,071,351.71</u>
Cash and Equivalents -- June 30	<u>\$ 55,892.01</u>	<u>\$ 6,752,039.42</u>	<u>\$ 6,807,931.43</u>
<u>Analysis of Cash Balance at June 30</u>			
Cash and Equivalents	\$ 55,892.01	\$ 7,265,097.56	\$ 7,320,989.57
Cash Deficit		(513,058.14)	(513,058.14)
	<u>\$ 55,892.01</u>	<u>\$ 6,752,039.42</u>	<u>\$ 6,807,931.43</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income/(Loss)	\$ (341,951.87)	\$ 1,007,892.09	\$ 665,940.22
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Change in Assets & Liabilities:			
Depreciation	4,934.80	70,312.54	75,247.34
Food Distribution Program	30,121.57		30,121.57
(Increase)/Decrease in Fixed Assets	(11,029.53)		(11,029.53)
(Increase)/Decrease in Other Accounts Receivable	(2,327.48)	(905,716.06)	(908,043.54)
(Increase)/Decrease in Inventory	453.53		453.53
Increase/(Decrease) in Accounts Payable		151,566.89	151,566.89
Increase/(Decrease) in Interfunds Payable		1,571.78	1,571.78
Net Cash Provided by (used for) Operating Activities	<u>\$ (319,798.98)</u>	<u>\$ 325,627.24</u>	<u>\$ 5,828.26</u>

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>CRESS</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>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	\$ 7,485,597.62	\$ 10,600.00	\$ 1,455,071.52	\$ 451.15	\$ 4,844,657.25	\$ 253,500.95	\$ 14,049,878.49
County Budget Appropriation	86,107.00	171,833.00				77,376.00	335,316.00
Payments to Employees	(5,543,412.57)	(107,253.74)	(1,074,524.19)		(2,544,788.91)	(115,774.85)	(9,385,754.26)
Payments for Employee Benefits	(1,379,757.39)	(22,843.23)	(254,092.31)		(2,233,799.18)	(43,765.31)	(3,934,257.42)
Payments to Suppliers	(194,146.91)	(1,272.00)	(199,411.18)	(301.15)	-	(145,645.69)	(540,776.93)
Net Cash Used in Operating Activities	<u>454,387.75</u>	<u>51,064.03</u>	<u>(72,956.16)</u>	<u>150.00</u>	<u>66,069.16</u>	<u>25,691.10</u>	<u>524,405.88</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:							
Refund Prior Year Revenue	(7,356.94)				(275.25)		(7,632.19)
Cash Received from State & Federal Reimbursements							-
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(7,356.94)</u>				<u>(275.25)</u>		<u>(7,632.19)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Contribution to County of Gloucester					(500,000.00)		(500,000.00)
Net Cash Provided by Investing Activities					<u>(500,000.00)</u>		<u>(500,000.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	447,030.81	51,064.03	(72,956.16)	150.00	(434,206.09)	25,691.10	16,773.69
Cash and Cash Equivalents -- July 1	<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>
Cash and Equivalents -- June 30	<u>\$ 2,209,355.85</u>	<u>\$ (27,108.86)</u>	<u>(100,863.47)</u>	<u>\$ 8,774.73</u>	<u>\$ 2,228,528.75</u>	<u>\$ (15,217.76)</u>	<u>\$ 4,303,469.24</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:							
Operating Income/(Loss)	\$ 388,410.84	\$ 50,943.03	\$ 50,007.71	\$ 150.00	\$ 307,532.90	\$ 27,812.65	\$ 824,857.13
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:							
Change in Assets & Liabilities:							
Depreciation	7,111.65		51,080.33				58,191.98
(Increase)/Decrease in Accounts Receivable	(9,678.39)	(600.00)	(181,431.88)		(290,518.00)	(120.87)	(482,349.14)
Increase/(Decrease) in Accounts Payable	66,371.87	721.00	7,387.68		49,054.26	(2,000.68)	121,534.13
Increase/(Decrease) in Unearned Revenue	600.00						600.00
Increase/(Decrease) in Interfunds Payable	1,571.78						1,571.78
Net Cash Used in Operating Activities	<u>\$ 454,387.75</u>	<u>\$ 51,064.03</u>	<u>\$ (72,956.16)</u>	<u>\$ 150.00</u>	<u>\$ 66,069.16</u>	<u>\$ 25,691.10</u>	<u>\$ 524,405.88</u>

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward	Safe School Program	Therapeutic Recreation Program	Auxiliary Services	Cooperative Transportation Project	Employee Assistance Program	Total Carried Forward
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	\$ 14,049,878.49	\$ 1,300.00	\$ 65,195.00	\$ 23,870.00	\$ 8,319,512.89	\$ 57,510.00	\$ 22,517,266.38
	335,316.00						335,316.00
Payments to Employees	(9,385,754.26)	(2,135.00)		(20,889.40)	(155,836.27)		(9,564,614.93)
Payments for Employee Benefits	(3,934,257.42)	(473.99)		(1,738.51)	(75,487.51)		(4,011,957.43)
Payments to Suppliers	(540,776.93)	(68.10)	(35,158.19)		(8,269,404.6)	(78,050.76)	(8,923,458.55)
Net Cash Used in Operating Activities	<u>524,405.88</u>	<u>(1,377.09)</u>	<u>30,036.81</u>	<u>1,242.09</u>	<u>(181,215.46)</u>	<u>(20,540.76)</u>	<u>352,551.47</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:							
Refund Prior Year Revenue	(7,632.19)						(7,632.19)
Cash Received from State & Federal Reimbursements	-						-
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(7,632.19)</u>						<u>(7,632.19)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Contribution to County of Gloucester	(500,000.00)		(50,000.00)				(550,000.00)
Net Cash Provided by Investing Activities	<u>(500,000.00)</u>		<u>(50,000.00)</u>				<u>(550,000.00)</u>
Net Decrease in Cash and Cash Equivalents	16,773.69	(1,377.09)	(19,963.19)	1,242.09	(181,215.46)	(20,540.76)	(205,080.72)
Cash and Cash Equivalents -- July 1	4,286,695.55	12,589.30	140,410.25	192,883.75	(188,652.59)	66,911.97	4,510,838.23
Cash and Equivalents -- June 30	<u>\$ 4,303,469.24</u>	<u>\$ 11,212.21</u>	<u>\$ 120,447.06</u>	<u>\$ 194,125.84</u>	<u>\$ (369,868.05)</u>	<u>\$ 46,371.21</u>	<u>\$ 4,305,757.51</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:							
Operating Income/(Loss)	\$ 824,857.13	\$ (63,310.02)	\$ 30,664.65	\$ 8,956.49	\$ 318,771.60	\$ 7,719.24	\$ 1,127,659.09
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:							
Change in Assets & Liabilities:							
Depreciation	58,191.98		428.16		3,615.80		62,235.94
(Increase)/Decrease in Accounts Receivable	(482,349.14)	61,960.00		(8,145.00)	(525,704.99)	(28,260.00)	(982,499.13)
Increase/(Decrease) in Accounts Payable	121,534.13	(27.07)	(456.00)	430.60	22,102.13		143,583.79
Increase/(Decrease) in Unearned Revenue	600.00		(600.00)				-
Increase/(Decrease) in Interfunds Payable	1,571.78						1,571.78
Net Cash Used in Operating Activities	<u>\$ 524,405.88</u>	<u>\$ (1,377.09)</u>	<u>\$ 30,036.81</u>	<u>\$ 1,242.09</u>	<u>\$ (181,215.46)</u>	<u>\$ (20,540.76)</u>	<u>\$ 352,551.47</u>

(Continued)

Gloucester County Special Services School District
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	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
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from Customers	\$ 22,517,266.38	\$ 9,750.16	\$ 671,391.59	\$ 318.98	\$ 19,996.00	\$ 72,893.00	\$ 777,487.68	\$ 24,069,103.79
	335,316.00							335,316.00
Payments to Employees	(9,564,614.93)		(585,542.72)	(9,657.25)	(6,463.75)	(43,827.49)	(227,442.49)	(10,437,548.63)
Payments for Employee Benefits	(4,011,957.43)	(65.34)	(305,460.80)	(746.50)	(650.29)	(5,162.67)	(109,607.09)	(4,433,650.12)
Payments to Suppliers	(8,923,458.55)	(1,167.26)	(3,139.88)	(81,841.5)	(1,242.03)	347.32	(197,091.86)	(9,207,593.80)
Net Cash Used in Operating Activities	<u>352,551.47</u>	<u>8,517.56</u>	<u>(222,751.81)</u>	<u>(91,926.31)</u>	<u>11,639.93</u>	<u>24,250.16</u>	<u>243,346.24</u>	<u>325,627.24</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Refund Prior Year Revenue	(7,632.19)					(420.00)		(8,052.19)
Cash Received from State & Federal Reimbursements	-			91,959.00				91,959.00
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(7,632.19)</u>			<u>91,959.00</u>		<u>(420.00)</u>		<u>83,906.81</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Contribution to County of Gloucester	(550,000.00)							(550,000.00)
Net Cash Provided by Investing Activities	<u>(550,000.00)</u>							<u>(550,000.00)</u>
Net Decrease in Cash and Cash Equivalents	(205,080.72)	8,517.56	(222,751.81)	32.69	11,639.93	23,830.16	243,346.24	(140,465.95)
Cash and Cash Equivalents -- July 1	4,510,838.23	136,815.52	803,812.80	2,222.89	57,624.67	82,595.44	1,298,595.82	6,892,505.37
Cash and Equivalents -- June 30	<u>\$ 4,305,757.51</u>	<u>\$ 145,333.08</u>	<u>\$ 581,060.99</u>	<u>\$ 2,255.58</u>	<u>\$ 69,264.60</u>	<u>\$ 106,425.60</u>	<u>\$ 1,541,942.06</u>	<u>\$ 6,752,039.42</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:								
Operating Income/(Loss)	\$ 1,127,659.09	\$ 8,844.82	\$ (302,429.28)	\$ (90,470.35)	\$ 1,695.76	\$ 46,271.29	\$ 216,320.76	\$ 1,007,892.09
Adjustments to Reconcile Operating Income/(Loss) to Cash provided/(Used) by Operating Activities:								
Change in Assets & Liabilities:								
Depreciation	62,235.94						8,076.60	70,312.54
(Increase)/Decrease in Accounts Receivable	(982,499.13)		74,030.37		9,998.00	(22,599.75)	15,354.45	(905,716.06)
Increase/(Decrease) in Accounts Payable	143,583.79	(327.26)	5,647.10	(1,455.96)	(53.83)	578.62	3,594.43	151,566.89
Increase/(Decrease) in Unearned Revenue	-							-
Increase/(Decrease) in Interfunds Payable	1571.78							1,571.78
Net Cash Used in Operating Activities	<u>\$ 352,551.47</u>	<u>\$ 8,517.56</u>	<u>\$ (222,751.81)</u>	<u>\$ (91,926.31)</u>	<u>\$ 11,639.93</u>	<u>\$ 24,250.16</u>	<u>\$ 243,346.24</u>	<u>\$ 325,627.24</u>

Gloucester County Special Services School District
Internal Service Fund
Combining Statement of Net Position
June 30, 2013

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

Gloucester County Special Services School District
 Internal Service Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2013

	<u>Shared Services</u>	<u>Total</u>
OPERATING REVENUES:		
Charges for Services	\$ 1,213,241.12	\$ 1,213,241.12
Total Operating Revenues	1,213,241.12	1,213,241.12
OPERATING EXPENSES:		
Salaries	1,213,241.12	1,213,241.12
Total Operating Expenses	1,213,241.12	1,213,241.12
Operating Income/ (Loss)	-	-
Change in Net Position	-	-
Net Position -- July 1	-	-
Net Position -- June 30	\$ -	\$ -

Gloucester County Special Services School District
 Internal Service Fund
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2013

	<u>Shared Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Other Funds	\$ 1,213,241.12	\$ 1,213,241.12
Payments to Employees	<u>(1,213,241.12)</u>	<u>(1,213,241.12)</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 Position
 June 30, 2013

	<u>Expendable Trust Funds</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Donations Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 69,824.48	\$ 1,745.45	\$ 229,396.11	\$ 40,180.33	\$ 341,146.37
Total Assets	<u>69,824.48</u>	<u>1,745.45</u>	<u>\$ 229,396.11</u>	<u>\$ 40,180.33</u>	<u>341,146.37</u>
LIABILITIES:					
Due to Student Groups			\$ 229,396.11		229,396.11
Accrued Salary and Wages Payable				\$ 34,154.94	34,154.94
Interfund Accounts Payable				6,025.39	6,025.39
Total Liabilities			<u>\$ 229,396.11</u>	<u>\$ 40,180.33</u>	<u>269,576.44</u>
NET POSITION:					
Reserve for Students	\$ 69,824.48				69,824.48
Reserved for Scholarship Funds		\$ 1,745.45			1,745.45
Total Net Position	<u>\$ 69,824.48</u>	<u>\$ 1,745.45</u>			<u>\$ 71,569.93</u>

Gloucester County Special Services School District
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2013

	<u>Donations Trust</u>	<u>Scholarship Trust</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Gifts and Contributions	\$ 14,700.00		\$ 14,700.00
Interest		\$ 1.12	1.12
Total Additions	<u>14,700.00</u>	<u>1.12</u>	<u>14,701.12</u>
DEDUCTIONS:			
Cash Disbursements			-
Total Deductions	<u>-</u>		<u>-</u>
Change in Net Position	14,700.00	1.12	14,701.12
Net Position, July 1	<u>55,124.48</u>	<u>1,744.33</u>	<u>56,868.81</u>
Net Position, June 30	<u>\$ 69,824.48</u>	<u>\$ 1,745.45</u>	<u>\$ 71,569.93</u>

Gloucester County Special Services School District
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Alternative High School	\$ 674.59			\$ 674.59
Bankbridge Vocational	95,588.94	\$ 31,178.57	\$ 36,901.67	89,865.84
Bankbridge Elementary	3,711.91	10,785.35	7,893.83	6,603.43
Bankbridge Regional	6,648.50	352.04		7,000.54
Bankbridge Development Center	18,294.59	11,882.43	23,935.75	6,241.27
Coke Machine	6,882.30			6,882.30
GCSSD - Golf Tournament	1,000.00			1,000.00
Local Goals for Youth	151.83			151.83
Migrant	1,306.72		175.00	1,131.72
Miracle League Field	24,563.11	4,255.02	7,677.44	21,140.69
Sean Byrne Fund	52,622.68	19,949.00	6,677.85	65,893.83
Spanish Club	192.00			192.00
Interest Earned	22,570.31	47.76		22,618.07
Total	<u>\$ 234,207.48</u>	<u>\$ 78,450.17</u>	<u>\$ 83,261.54</u>	<u>\$ 229,396.11</u>

Gloucester County Special Services School District
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 7,324.91	\$ 38,405,411.88	\$ 38,372,556.46	\$ 40,180.33
Total Assets	<u>\$ 7,324.91</u>	<u>\$ 38,405,411.88</u>	<u>\$ 38,372,556.46</u>	<u>\$ 40,180.33</u>
LIABILITIES:				
Payroll Deductions and Withholdings		\$ 17,529,272.12	\$ 17,529,272.12	-
Accrued Salary and Wages		20,870,560.05	20,836,405.11	\$ 34,154.94
Interfund Accounts Payable	\$ 7,324.91	5,579.71	6,879.23	6,025.39
Total Liabilities	<u>\$ 7,324.91</u>	<u>\$ 38,405,411.88</u>	<u>\$ 38,372,556.46</u>	<u>\$ 40,180.33</u>

LONG-TERM DEBT

Gloucester County Special Services School District
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2013

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding June 30, 2012</u>	<u>Issued</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2013</u>
				<u>Principal</u>	<u>Interest</u>				
KDI Copiers	August 8, 2012	August 8, 2012 to August 28, 2017	4.14%	\$ 298,921.00	\$ 32,518.49	\$ -	\$ 298,921.00	\$ 45,631.16	\$ 253,289.84

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 Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net Investment in Capital Assets	\$ 31,589,303.91	\$ 32,112,273.04	\$ 32,536,658.16	\$ 32,918,945.03	\$ 32,725,755.10	\$ 32,725,755.10	\$ 30,318,628.79	\$ 23,586,951.56	\$ 21,506,369.52	\$ 21,453,878.00
Restricted	628,591.00	671,006.23	1,097,727.46	806,186.29	1,644,878.86	1,644,878.86	2,967,626.29	11,494,339.57	622,621.88	799,168.00
Unrestricted	4,434,709.73	4,266,374.13	3,106,737.83	4,555,797.97	3,913,673.05	3,913,673.05	898,867.03	1,209,243.49	1,914,239.21	2,508,179.00
Total Governmental Activities Net Position	\$ 36,652,604.64	\$ 37,049,653.40	\$ 36,741,123.45	\$ 38,280,929.29	\$ 38,284,307.01	\$ 38,284,307.01	\$ 34,185,122.11	\$ 36,290,534.62	\$ 24,043,230.61	\$ 24,761,225.00
Business-type Activities										
Net Investment in Capital Assets	\$ 326,681.20	\$ 395,535.05	\$ 397,462.30	\$ 124,625.91	\$ 152,619.98	\$ 152,619.98	\$ 199,672.67	\$ 235,879.49	\$ 243,004.47	\$ 71,330.00
Unrestricted	10,675,326.51	10,649,339.12	10,125,159.02	9,714,339.99	8,015,246.04	8,015,246.04	6,618,718.13	7,073,366.64	6,224,322.30	6,020,882.00
Total Business-type Activities Net Position	\$ 11,002,007.71	\$ 11,044,874.17	\$ 10,522,621.32	\$ 9,838,965.90	\$ 8,167,866.02	\$ 8,167,866.02	\$ 6,818,390.80	\$ 7,309,246.13	\$ 6,467,326.77	\$ 6,092,212.00
District-wide										
Net Investment in Capital Assets	\$ 31,915,985.11	\$ 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
Restricted	628,591.00	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
Unrestricted	15,110,036.24	14,915,713.25	13,231,896.85	14,270,137.96	11,928,919.09	7,713,190.20	7,517,585.16	8,282,610.13	8,138,561.51	8,529,061.00
Total District-wide Net Position	\$ 47,654,612.35	\$ 48,094,527.57	\$ 47,263,744.77	\$ 48,119,895.19	\$ 46,452,173.03	\$ 41,610,170.77	\$ 41,003,512.91	\$ 43,599,780.75	\$ 30,510,557.38	\$ 30,853,437.00

Source: District Records

Gloucester County Special Services School District
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Expenses										
Governmental Activities										
Instruction										
Special Education	\$ 10,793,258.22	\$ 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
Other Special Education	377,147.27	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
Support Services:										
Student & Instruction Related Services	6,681,446.29	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
General Administrative Services	572,661.09	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	1,136,037.69	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
Central Services	1,798,200.81	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
Plant Operations and Maintenance	3,304,914.06	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
Pupil Transportation	54,653.92	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
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	6,542,781.71	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
On-Behalf Pension Contributions	1,810,579.00	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	955,272.42	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	1,009,608.84	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
Unallocated Depreciation	303,183.40	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
Total Governmental Activities Expenses	35,339,744.72	32,538,880.74	30,567,049.59	32,490,088.65	29,960,136.04	28,834,010.46	29,723,305.98	28,900,866.39	25,598,816.16	22,241,869.00
Business-type Activities:										
Food Service	484,802.89	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
Enterprise Other	24,302,243.76	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
Total Business-type Activities Expense	24,787,046.65	24,752,453.07	22,580,340.85	18,146,617.41	17,840,429.71	18,099,338.70	17,736,646.82	16,526,117.93	15,283,410.65	13,365,941.00
Total District Expenses	\$ 60,126,791.37	\$ 57,291,333.81	\$ 53,147,390.44	\$ 50,636,706.06	\$ 47,800,565.75	\$ 46,933,349.16	\$ 47,459,952.80	\$ 45,426,984.32	\$ 40,882,226.81	\$ 35,607,810.00
Program Revenues										
Governmental Activities:										
Charges for Services:										
Business and Other Support Services	\$ 1,213,241.12	\$ 1,597,280.07	\$ 1,675,054.74	\$ 1,781,561.12						
Operating Grants and Contributions	4,899,543.12	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
Total Governmental Activities Program Revenues	6,112,784.24	6,112,633.62	5,702,324.32	7,864,891.76	6,166,679.12	6,315,994.20	8,725,728.87	7,910,928.04	7,545,410.39	5,905,804.00
Business-type activities:										
Charges for services:										
Food Service	142,851.02	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
Enterprise Other	25,036,780.19	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
Operating Grants and Contributions	353,881.98	215,474.66	277,764.36	318,000.65	280,853.78	207,566.97	227,158.76	285,242.60	280,248.79	163,532.00
Total Business-type Activities Program Revenues	25,533,513.19	25,224,871.27	23,207,799.12	20,373,440.95	19,278,821.85	18,010,421.78	17,245,791.49	17,368,037.29	15,550,686.16	14,237,040.00
Total District Program Revenues	\$ 31,646,297.43	\$ 31,337,504.89	\$ 28,910,123.44	\$ 28,238,332.71	\$ 25,445,500.97	\$ 24,326,415.98	\$ 25,971,520.36	\$ 25,278,965.33	\$ 23,096,096.55	\$ 20,142,844.00
Net (Expense)/Revenue										
Governmental Activities	\$ (29,226,960.48)	\$ (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)
Business-type Activities	746,466.54	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
Total District-wide Net Expense	\$ (28,480,493.94)	\$ (25,953,828.92)	\$ (24,237,267.00)	\$ (22,398,373.35)	\$ (22,355,064.78)	\$ (22,606,933.18)	\$ (21,488,432.44)	\$ (20,148,018.99)	\$ (17,786,130.26)	\$ (15,464,966.00)

(Continued)

Gloucester County Special Services School District
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental Activities:										
County Appropriation	\$ 1,227,762.00	\$ 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
Tuition - LEA's	26,056,788.14	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
Nonresident Fees	1,038,950.92	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
Federal, State and Local Aid Restricted	43,736.56	-	39,844.65	-	41,700.00	40,891.50				
Investment Earnings		12,983.81	22,548.57			2,865.09				
Miscellaneous Income	457,817.48	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
Transfers										30,066.00
Special Items:										
Cancellation of Prior Year Payable/(Receivable)	27,591.52	(255,242.84)	(37,710.80)						34,579.90	(79,108.00)
Refund of Prior Period Tuition/Revenue	(18,975.01)	-	(2,283,563.90)							
Transfers		-		(64,848.00)						
Refund of Capital Outlay Expenditures		-	64,086.70							
Gain / (Loss) on Disposal of Capital Assets	(3,759.89)	(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)	
Total Governmental Activities	28,829,911.72	26,734,777.07	23,324,919.43	24,621,819.17	27,197,067.04	23,213,591.04	18,892,164.60	33,237,242.36	17,335,408.99	16,540,430.00
Business-type Activities:										
Transfers										
County Appropriation	\$ 335,316.00	\$ 63,867.00	\$ 65,368.00	\$ 61,960.00					\$ 75,500.00	\$ (30,066.00)
Special Items:										
Capital Contributions	(1,050,000.00)									
Refund of Prior Period Tuition/Revenue	(8,052.19)	(3,761.59)	(69,750.08)						38,261.93	
Transfers			265,503.21	64,848.00						
Gain / (Loss) on Disposal of Capital Assets	(4,636.04)	(2,291.30)								
Cancellation of Prior Year Payable/(Receivable)	(61,960.77)	(7,979.46)	(204,923.98)	(682,531.66)					(5,921.72)	
Total Business-type Activities	(789,333.00)	49,834.65	56,197.15	-555,723.66				-	107,840.21	-30066
Total District-wide	\$ 28,040,578.72	\$ 26,784,611.72	\$ 23,381,116.58	\$ 24,066,095.51	\$ 27,197,067.04	\$ 23,213,591.04	\$ 18,892,164.60	\$ 33,237,242.36	\$ 17,443,249.20	\$ 16,510,364.00
Change in Net Position										
Governmental Activities	\$ (397,048.76)	\$ 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
Business-type Activities	(42,866.46)	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
Total District	\$ (439,915.22)	\$ 830,782.80	\$ (856,150.42)	\$ 1,667,722.16	\$ 4,842,002.26	\$ 606,657.86	\$ (2,596,267.84)	\$ 13,089,223.37	\$ (342,881.06)	\$ 1,045,398.00

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,									
	<u>2013</u>	<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>
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
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
Restricted	\$ 628,591.00	\$ 627,991.00	\$ 626,891.00							
Assigned	3,382,509.84	3,121,816.55	2,763,906.87							
Unassigned	2,018,720.21	2,136,731.20	1,310,439.66							
Total General Fund	<u><u>\$ 6,029,821.05</u></u>	<u><u>\$ 5,886,538.75</u></u>	<u><u>\$ 4,701,237.53</u></u>	<u><u>\$ 6,173,263.31</u></u>	<u><u>\$ 4,999,642.83</u></u>	<u><u>\$ 1,793,897.16</u></u>	<u><u>\$ 1,548,795.24</u></u>	<u><u>\$ 1,749,458.69</u></u>	<u><u>\$ 2,323,099.98</u></u>	<u><u>\$ 3,456,757.00</u></u>
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
Unreserved, Reported in:										
Capital Projects Fund										85,373.00
Restricted, Reported in:										
Capital Projects Fund			\$ 335,764.56							
Assigned, Reported in:										
Capital Projects Fund		43,015.23	135,071.90							
Total All Other Governmental Funds	<u><u>\$ -</u></u>	<u><u>\$ 43,015.23</u></u>	<u><u>\$ 470,836.46</u></u>	<u><u>\$ 243,381.99</u></u>	<u><u>\$ 1,582,074.56</u></u>	<u><u>\$ 1,511,638.63</u></u>	<u><u>\$ 2,907,687.08</u></u>	<u><u>\$ 11,438,534.37</u></u>	<u><u>\$ 583,101.11</u></u>	<u><u>\$ 191,400.00</u></u>

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

	<u>2013</u>	<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>
Revenues										
County Appropriation	\$ 1,227,762.00	\$ 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
Tuition Charges	27,095,739.06	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
Interest Earnings		12,983.81	-			2,865.09	2,634.01	1,284.43	172,306.25	2,434.00
Miscellaneous	528,194.23	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
State Sources	3,067,756.42	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
Federal Sources	1,805,146.51	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
Total Revenue	33,724,598.22	31,507,261.71	29,881,538.55	30,796,944.95	34,068,157.69	29,117,375.37	28,793,648.72	41,162,734.15	24,851,695.39	22,776,511.00
Expenditures										
Instruction										
Special Education Instruction	10,648,766.62	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
Other Special Instruction	377,147.27	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
Support Services:										
Student & Instruction Related Services	6,667,705.44	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
General Administrative Services	509,442.52	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
School Administrative Services	1,130,200.99	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
Central Services	584,959.69	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
Plant Operations and Maintenance	2,833,071.52	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
Pupil Transportation	27,177.48	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
Other Support Services									11,644.56	
Allocated Benefits							230,815.34	256,783.66	260,932.31	220,454.00
Unallocated Employee Benefits	6,568,435.01	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
On-Behalf Pension Contributions	1,810,579.00	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
Reimbursed TPAF Social Security	955,272.42	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
Special Schools					29,587.92	19,540.73	1,382,363.93	946,158.30	796,237.10	653,273.00
Capital Outlay	1,819,110.70	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
Total Expenditures	33,931,868.66	30,494,538.88	28,868,921.86	30,897,169.04	30,791,976.09	30,472,858.90	37,525,159.46	30,880,942.18	25,628,233.59	22,400,670.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(207,270.44)	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
Other Financing Sources (Uses)										
Special Revenue Fund Adjustment										
Capital Projects Fund Adjustment		(4,258.06)								
Cancellation of Prior Year Payables/(Receivables)	27,591.37	(250,984.78)	(37,710.80)						34,579.90	(79,108.00)
Capital Lease (Non-Budget)	298,921.00					204,537.00				
Refund of Prior Period Tuition	(18,974.86)		(2,283,563.90)							
Refund of Capital Outlay Expenditures			64,086.70							
Transfers In/(Out)				(64,848.00)						30,066.00
Total Other Financing Sources (Uses)	307,537.51	(255,242.84)	(2,257,188.00)	(64,848.00)	-	204,537	-	-	34,579.90	(49,042.00)
Net Change in Fund Balances	\$ 100,267.07	\$ 757,479.99	\$ (1,244,571.31)	\$ (165,072.09)	\$ 3,276,181.60	\$ (1,150,946.53)	\$ (8,731,510.74)	\$ 10,281,791.97	\$ (741,958.30)	\$ 326,799.00

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

	<u>2013</u>	<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>
Tuition - LEA's	\$ 26,056,788.14	\$ 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
Nonresident Fees	1,038,950.92	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	1,876.97	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
Refunds of Prior Years Revenues	9,771.24		281,213.51	50,863.70	28,643.31		53,117.29	5,010.31		3,285.00
Refunds of Prior Years Expenditures	50,894.92	64,715.13								
Indirect Costs	65,646.45	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
Rent		-	10,500.00		4,629.84	4,629.84	2,000.00	2,000.00	2,000.00	21,500.00
Shared Services					560,481.24	141,723.51	80,000.00	25,367.24	104,637.54	70,200.00
Retail Trades	184,296.47	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
Miscellaneous	145,331.43	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
	<u>\$ 27,553,556.54</u>	<u>\$ 26,465,032.75</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>

Source: District Records

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	Unavailable	Unavailable	Unavailable	Unavailable
2012	289,586	Unavailable	Unavailable	10.0%
2011	289,104	12,208,283,712	\$ 42,228	9.3%
2010	288,288	11,705,069,376	40,602	10.0%
2009	289,920	11,542,005,120	39,811	9.2%
2008	288,168	11,640,834,528	40,396	5.4%
2007	285,753	10,885,474,782	38,094	4.3%
2006	282,031	10,301,464,306	36,526	4.7%
2005	277,037	9,557,499,463	34,499	4.4%
2004	272,784	8,993,142,912	32,968	4.7%

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>2013</u>			<u>2003</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>
Inspira Health	1,825	1	1.28%	N/A	N/A	N/A
Kennedy Memorial Hospital	1,675	2	1.17%	N/A	N/A	N/A
Rowan University	1,483	3	1.04%	N/A	N/A	N/A
Missa Bay, LLC	950	4	0.67%	N/A	N/A	N/A
U.S. FoodService	725	5	0.51%	N/A	N/A	N/A
ExxonMobil Corp	540	6	0.38%	N/A	N/A	N/A
LaBrea Bakery	525	7	0.37%	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	8	0.35%	N/A	N/A	N/A
Drugstore.com	450	9	0.32%	N/A	N/A	N/A
Hertiage Dairy Stores	450	9	0.32%	N/A	N/A	N/A
Johnson Matthey	437	10	0.31%	N/A	N/A	N/A
	<u>9,560</u>		<u>6.69%</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>
2013	738.1	32,112,757.96	43,507.33	7.52%	211	738.1	678.4	6.58%	91.91%
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	5.96%	Not available	762.2	692.5	1.40%	90.86%
2009	751.7	28,020,986.33	37,276.82	-10.76%	Not available	751.7	686.8	4.29%	91.37%
2008	720.8	30,107,181.49	41,769.12	-7.55%	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%

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>2013</u>	<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>District Building</u>										
<u>Special Education</u>										
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) ¹				-	-	-	-	-	-	-
Bankbridge Regional School (2000)										
Square Feet	79,670	79,670	79,670	79,670	79,670	79,670	79,670	79,670	76,560	76,560
Capacity (students) ¹		-	-	-	-	-	-	-	-	-
Bankbridge Development Center (2007)										
Square Feet	52,200	52,200	52,200	52,200	52,200	52,200	-	-	-	-
Capacity (students) ¹		-	-	-	-	-	-	-	-	-
Enrollment ⁴	738.1	730.2	692.5	762.2	751.7	665.5	595.0	618.0	608.5	587.5

Number of Schools at June 30, 2008

Special Education = 3

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

⁴ 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)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bankbridge Elementary School	SP 200456	\$ 107,560	\$ 20,297	\$ 20,143	\$ 32,059	\$ 35,412	\$ 47,909	\$ 49,898	\$ 18,601	\$ 4,358	\$ 35,164
Bankbridge Regional School	SP 98129	177,578	105,893	73,230	41,615	42,541	66,881	94,965	25,422	44,957	45,899
Bankbridge Development Center	N/A	76,235	19,271	45,410	22,518	14,196	11,897				
Total School Facilities		<u>\$ 361,373</u>	<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>

* 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, 2013
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Automobile Liability (1)	\$ 16,000,000 per occurrence 1,000,000 Combined Single Limit	
Property (1)		
Blanket Real and Personal Property	\$ 400,000,000 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	
Comprehensive General Liability (1)		
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	
Workers' Compensation and Employers' Liability (1)		
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	
School Leaders Errors & Omissions (1)		
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
Public Official Bonds (2)		
Assistant Superintendent for Business/Board Secretary	\$ 300,000.00	
Student Accident Policy (3)	\$ 1,000,000.00	
Volunteer Accident Policy (3)	\$ 250,000.00	
Migrant Accident Policy (3)	\$ 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

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

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

Report on Compliance for Each Major Federal and State Program

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, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

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

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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, 2013

Gloucester County Special Services School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2013

Federal Grantor /Pass-through Grantor / Program Title	CFDA Number	Grant or State Project Number	Program or Award Amount	<u>Grant Period</u> From To	
General Fund:					
U.S. Department of Health and Human Services:					
Passed-through State Department of Education:					
Immunization Grant:					
Medical Assistance Program	93.778	N/A	\$ 43,736.56	07/01/12	06/30/13
Total U.S. Department of Health and Human Services					
Total General Fund:					
Special Revenue Fund:					
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					
Migrant Education Project	84.011	13-100-034-5060-019	1,526,304.00	01/01/13	12/31/13
Migrant Education Project	84.011	12-100-034-5060-019	1,600,000.00	01/01/12	12/31/12
Migrant Education Project	84.011	11-100-034-5060-019	1,600,000.00	01/01/11	12/31/11
Total Migrant Education - State Program - Title I, Part C					
Education for Homeless Children and Youth					
McKinney-Vento Ed for Homeless Children	84.196A	13-100-034-5060-021	210,983.00	09/01/12	08/31/13
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					
Enterprise Fund:					
U.S. Department of Agriculture					
Passed-through State Department of Education:					
Child Nutrition Cluster:					
Food Distribution Program	10.555	unavailable	30,121.57	07/01/12	06/30/13
Food Distribution Program	10.555	unavailable	18,871.47	07/01/11	06/30/12
Breakfast Program	10.553	13-100-010-3350-021	77,925.23	07/01/12	06/30/13
Breakfast Program	10.553	12-100-010-3350-021	68,724.48	07/01/11	06/30/12
National School Lunch Program	10.555	13-100-010-3350-023	149,073.89	07/01/12	06/30/13
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	91,959.00	07/01/12	06/30/13
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.

Balance at June 30, 2012		Balance at June 30, 2013					
Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue
		\$ 43,736.56	\$ (43,736.56)				
-	-	43,736.56	(43,736.56)	-	-	-	-
-	-	43,736.56	(43,736.56)	-	-	-	-
		716,699.58	(1,003,266.61)			\$ (286,567.03)	
\$ (583,266.61)		936,405.64	(527,789.03)			(174,650.00)	
(357,528.00)		357,528.00				-	
(940,794.61)	-	2,010,633.22	(1,531,055.64)	-	-	(461,217.03)	-
		52,244.00	(172,728.20)			(120,484.20)	
(44,951.52)		102,577.63	(57,626.11)			0.00	
(44,951.52)	-	154,821.63	(230,354.31)	-	-	(120,484.20)	-
(985,746.13)	-	2,165,454.85	(1,761,409.95)	-	-	(581,701.23)	-
		30,121.57	(29,534.90)			-	\$ 586.67
1,119.51		62,474.89	(1,119.51)			-	
(3,705.77)		3,705.77	(77,925.23)			(15,450.34)	
(6,497.99)		120,057.87	(149,073.89)			(29,016.02)	
		6,497.99				-	
		91,959.00	(91,959.00)			-	
(9,084.25)	-	314,817.09	(349,612.53)	-	-	(44,466.36)	586.67
\$ (994,830.38)	\$ -	\$ 2,524,008.50	\$ (2,154,759.04)	\$ -	\$ -	\$ (626,167.59)	\$ 586.67

Gloucester County Special Services School District
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2013

<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</u> <u>To</u>
General Fund:				
State Department of Education:				
Reimbursed TPAF Social Security Contributions	13-100-034-5095-002	\$ 955,272.42	7/1/12	6/30/13
Reimbursed TPAF Social Security Contributions	12-100-034-5095-002	962,458.08	7/1/11	6/30/12
Total General Fund				
Special Revenue Fund:				
State Department of Human Services:				
School Based Youth Services	13-100-054-7500-068	301,905.00	7/1/12	6/30/13
Total State Department of Human Services				
Total Special Revenue Fund				
Total Capital Projects Fund				
Enterprise Fund:				
State Department of Agriculture:				
State School Lunch Program	13-100-010-3350-023	4,802.29	7/1/12	6/30/13
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 6/30/2012				Balance 6/30/2013	Memo		
Unearned Revenue / (Accounts Receivable)	Cash Received	Adjustments (B)	Budgetary Expenditures	(Accounts Receivable)	Interfund Payable/ Unearned Revenue	Budgetary Receivable June 30, 2013	Cumulative Total Expenditures
\$ (8,834.10)	\$ 909,559.64 8,834.10		\$ (955,272.42)	\$ (45,712.78)		\$ (45,712.78)	-
<u>(8,834.10)</u>	<u>918,393.74</u>	<u>-</u>	<u>(955,272.42)</u>	<u>(45,712.78)</u>		<u>(45,712.78)</u>	<u>\$ (962,458.08)</u>
	301,905.00		(301,905.00)	-		-	(301,905.00)
-	301,905.00	-	(301,905.00)	-	-	-	(301,905.00)
-	301,905.00	-	(301,905.00)	-	-	-	(301,905.00)
-	-	-	-	-		-	-
(237.04)	3,871.09 237.04		(4,802.29)	(931.20)		(931.20)	(4,802.29)
<u>(237.04)</u>	<u>4,108.13</u>	<u>-</u>	<u>(4,802.29)</u>	<u>(931.20)</u>		<u>(931.20)</u>	<u>(4,802.29)</u>
<u>\$ (9,071.14)</u>	<u>\$ 1,224,406.87</u>	<u>\$ -</u>	<u>\$ (1,261,979.71)</u>	<u>\$ (46,643.98)</u>	<u>\$ -</u>	<u>\$ (46,643.98)</u>	<u>\$ (1,269,165.37)</u>

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, 2013

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.

A net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is not required for the general and special revenue funds as of June 30, 2013. 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	\$ 43,736.56	\$ 955,272.42	\$ 999,008.98
Special Revenue	1,761,409.95	301,905.00	2,063,314.95
Enterprise Funds	<u>349,612.53</u>	<u>4,802.29</u>	<u>354,414.82</u>
Total Awards and Financial Assistance	<u>\$ 2,154,759.04</u>	<u>\$ 1,261,979.71</u>	<u>\$ 3,416,738.75</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER

Revenues and expenditures reported under the Food Distribution Program 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, 2013.

Note 6: 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, 2013

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued UNMODIFIED

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 UNMODIFIED

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.011	Migrant Education Project
10.555	Child Nutrition Cluster

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, 2013

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, 2013

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, 2013

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

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

