

**BURLINGTON COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

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

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INTRODUCTORY SECTION

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Burlington County Special Services School District

Service
Community
Excellence

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Phone: (609) 261-5600 Fax: (609) 261-5967

Dr. Christopher M. Manno
Superintendent of Schools
cmanno@bcsssd.k12.nj.us

Ms. Theresa L. Margiotta
Business Administrator/Board Secretary
tmargiotta@bcsssd.k12.nj.us

December 16, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Burlington County Special Services School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and result of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, "Audits of States Local Governments and Non Profit Organizations", and the State of New Jersey OMB Circular Letter 04-04 and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grant and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to special education students. The District completed the 2014-15 fiscal year with an enrollment of 690, which is 18 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eighteen years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	619.3	-2.53%
2013-14	680.0	-6.21%
2012-13	774.9	-0.06%
2011-12	775.4	-6.21%
2010-11	826.7	-5.39%
2009-10	873.8	-6.71%
2008-09	936.6	-8.72%
2007-08	1,026.1	-5.65%
2006-07	1,087.6	-3.26%
2005-06	1,124.3	-3.47%

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

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

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

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line time basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

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

6) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and capital projects fund for the fiscal year ended June 30, 2015, and the amount and percentage of increases in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2014	Percentage Decrease/ Increase
Local Sources	\$ 38,661,095	89.73%	\$ 701,450	5.30%
State Sources	3,794,646	8.81%	(159,938)	-1.09%
Federal Sources	631,610	1.47%	485,939	29.01%
Total	\$ 43,087,351	100.00%	\$ 1,027,451	

The following schedule presents a summary of general fund and capital projects fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

	Expenditure	Percentage of Total	Increase (Decrease)/ Increase From 2014	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 15,200,512	37.91%	\$ (223,582)	-1.47%
Other Special Instruction	111,882	0.28%	2,262	2.02%
Support Services & Undistributed Costs	24,779,137	61.81%	(890,791)	-3.59%
Total	\$ 40,091,531	100.00%	\$ (1,112,111)	

7) DEBT ADMINISTRATION: None

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements,” Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

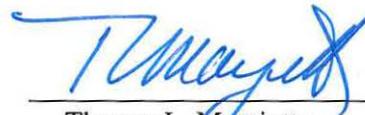
10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board to perform this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Circular A-133, “Audits of States Local Governments and Non Profit Organizations”, and the state of New Jersey OMB Circular Letter 04-04 and/or 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grant and State Aid Payments”. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

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

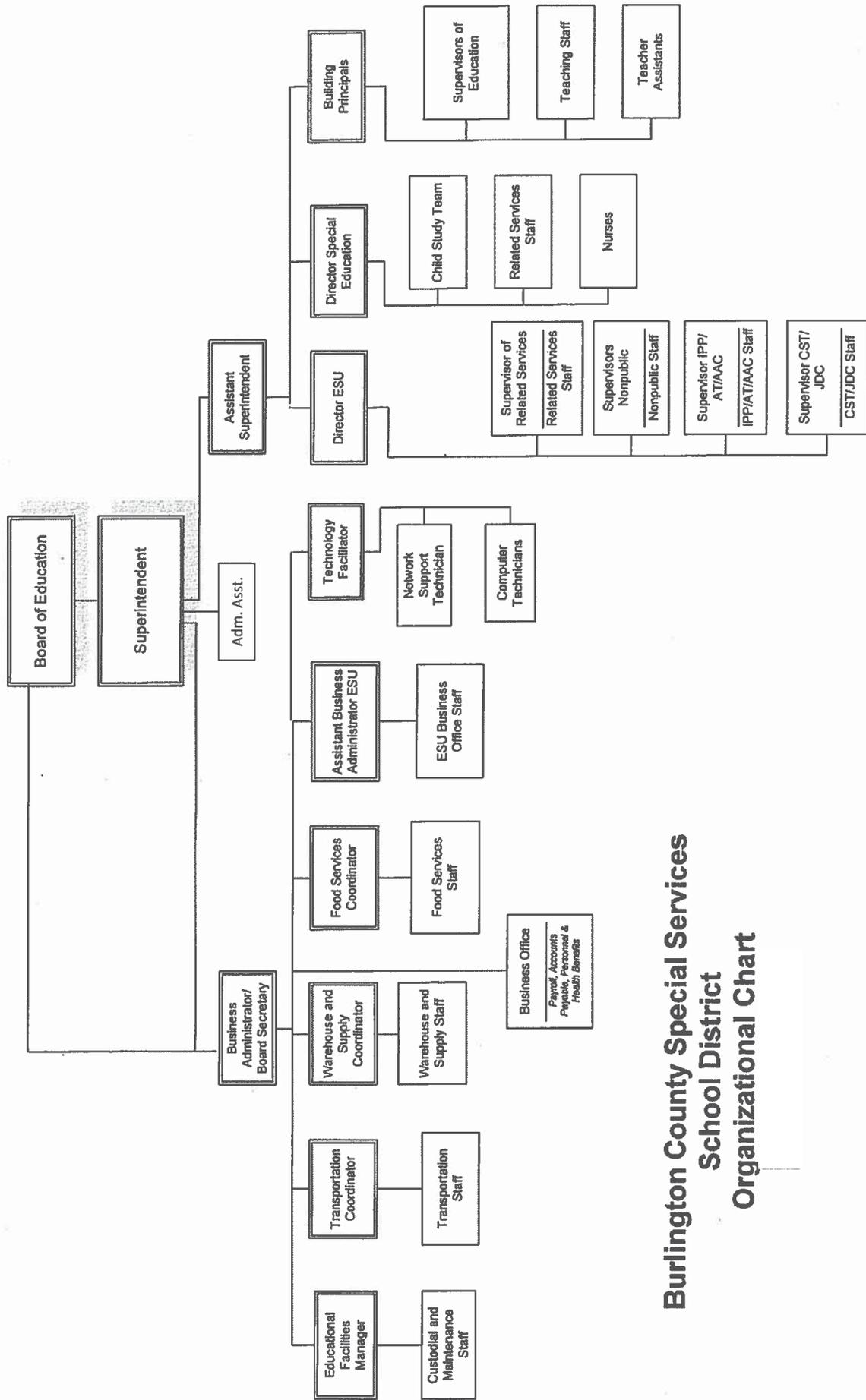
Respectfully submitted,



Dr. Christopher M. Manno
Superintendent



Theresa L. Margiotta
Business Administrator/Board Secretary



Burlington County Special Services School District Organizational Chart

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert C. Silcox, President	2015
Paula D. Lee, Vice President	2015
Christopher Baxter	2016
Kathleen Burgess	2016
John J. Ferry	2017
Leon E. Jones, Jr.	2017

OTHER OFFICIALS

Dr. Christopher M. Manno, Superintendent

Theresa L. Margiotta, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

Capehart & Scatchard, Solicitors

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Susquehanna Bank
Lumberton, NJ 08048

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. 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 Burlington 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 New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, 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 the 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 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 taken as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we 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 16, 2015 on our consideration of the Burlington County Special Services School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Burlington County Special Services School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
December 16, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

For the Fiscal Year Ended June 30, 2015

Unaudited

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2015.

CHANGE IN ACCOUNTING PRINCIPLE

As described in Note 18 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$28,971,793 as indicated in Note 18 to the financial statements.

Financial Highlights

The District's change in net position based on current year's transactions was \$2,270,103. Charges for services accounted for \$16,758,481, operating grants and contributions amount to \$8,809,927, and general revenues were \$39,521,029.

The general fund reported a positive fund balance of \$8,215,788.

Using this Comprehensive Annual Financial Report

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

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on Page 37 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

The District is the trustee, or fiduciary, for its Donation Trust Fund and other items listed as private purpose trust. It is also responsible for other assets that, due to a trust arrangement, can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position and Changes in Fiduciary Net position on Pages 49 and 50. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$(17,750,635) at the close of the most recent fiscal year. This deficit is caused by the current year accrual of net pension liability and compensated absences, as described in Note 17 to the financial statements.

A portion of the District's net position in the amount of \$4,038,712 reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (continued):

A comparative analysis of fiscal year 2015:

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2015	JUNE 30, 2014
			(MEMORANDUM ONLY)	
Cash & Cash Equivalents	\$ 4,058,895	\$ -	\$ 4,058,895	\$ 5,805,687
Internal Balances	1,128,767	(1,128,767)	-	-
Intergovernmental Accounts Receivables:			-	-
Other	2,280,389	2,024,738	4,305,127	3,940,112
State	58,291	403	58,694	58,498
Federal	-	21,521	21,521	22,852
Inventory	-	26,428	26,428	25,289
Restricted Assets:			-	-
Capital Reserve Account - Cash	1,509,852	-	1,509,852	1,508,343
Capital Assets, Net (Note 6):	3,771,907	266,805	4,038,712	2,985,604
Total Assets	12,808,101	1,211,128	14,019,229	14,346,385
DEFERRED OUTFLOW OF RESOURCES				
Deferred Outflows Related to Pensions	2,837,549	-	2,837,549	-
Total Deferred Outflow of Resources	2,837,549	-	2,837,549	-
Total Assets and Deferred Outflow of Resource	15,645,650	1,211,128	16,856,778	14,346,385
LIABILITIES				
Cash Deficit	-	503,932	503,932	577,065
Accounts Payable	156,853	17,978	174,831	2,222,081
PERS Pension Payable	1,068,548	-	1,068,548	-
Other Payables	-	-	-	8,151
Unearned Revenue	663,553	-	663,553	1,209,486
Noncurrent Liabilities:				
Due Beyond One Year	30,446,705	-	30,446,705	1,141,384
Total Liabilities	32,335,659	521,910	32,857,569	5,158,167
DEFERRED INFLOW OF RESOURCES				
Deferred Inflows Related to Pensions	1,749,844	-	1,749,844	-
Total Deferred Inflow of Resources	1,749,844	-	1,749,844	-
Total Liabilities and Deferred Inflow of Resour	34,085,503	521,910	34,607,413	5,158,167
NET POSITION				
Net Investment in Capital Assets	3,771,907	266,805	4,038,712	2,985,604
Restricted for:				
Other Purposes	3,939,610	-	3,939,610	1,508,343
Unrestricted	(26,151,370)	422,413	(25,728,957)	4,694,271
Total Net Position	\$ (18,439,853)	\$ 689,218	\$ (17,750,635)	\$ 9,188,218

Government-wide Financial Analysis (continued):

An additional portion of the District’s net position in the amount of \$3,939,610 represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District’s ongoing activities.

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

CHANGE IN NET POSITION

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2015	(MEMORANDUM ONLY) JUNE 30, 2014
General Revenues:				
County Appropriation	\$ 5,200,000	\$ -	\$ 5,200,000	\$ 4,800,000
Federal & State Aid Not Restricted	631,610	-	631,610	2,035,384
Tuition - LEAs	25,454,600	-	25,454,600	25,866,996
Other Tuition	7,469,275	-	7,469,275	6,978,742
Non Resident Fees	344,680	-	344,680	58,310
Miscellaneous Income	192,540	697	193,237	256,487
Transfers	(547,580)	547,580	-	(513,978)
Transfers from County	227,627	-	227,627	-
Operating Grants & Contributions	8,483,196	326,731	8,809,927	2,379,858
Charges for Services	-	16,758,481	16,758,481	14,591,213
Total Revenues:	47,455,948	17,633,489	65,089,437	56,453,012
Expenditures:				
Special Education	15,200,512	-	15,200,512	15,424,097
Other Special Instruction	111,882	-	111,882	109,620
Support Services	28,715,062	-	28,715,062	24,805,647
Undistributed Costs	178,401	18,613,477	18,791,878	16,496,398
Total Expenditures	44,205,857	18,613,477	62,819,334	56,835,762
Change In Net Position	3,250,091	(979,988)	2,270,103	(382,750)
Beginning Net Position, as restated (Note 18)	(21,689,944)	1,669,206	(20,020,738)	9,570,969
Ending Net Position	\$ (18,439,853)	\$ 689,218	\$ (17,750,635)	\$ 9,188,219

Governmental Activities

Net position of the District’s governmental activities increased by \$3,250,091. The increase was a result of an increase in operating grants and contributions. Unrestricted net position reflects a balance of \$(18,439,853). The increase in net position is a result of current year activities.

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

Program Expenses:	
Instruction:	
Special Education	\$ 15,200,512
Other Special Instruction	111,882
Support Services:	
Student & Related Expenses	4,765,408
School Administrative Services	539,302
General & Business Services	2,813,961
Plant Operations & Maintenance	2,957,405
Pupil Transportation	545,275
Unallocated Benefits	17,093,711
Unallocated Compensated Absences	(57,160)
Unallocated Depreciation	235,561
 Total Expenses	 <u><u>\$ 44,205,857</u></u>

The District’s Funds

The District’s governmental funds (as presented on the balance sheet on Page 37) reported a combined fund balance of \$8,215,788 which is more than last year’s total of \$5,539,921. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Increase (Decrease)
General Fund	<u>\$8,215,788</u>	<u>\$5,539,921</u>	<u>\$2,675,867</u>

General Fund

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

	2014 Amount	2014 Amount	Percentage Change
Revenues:			
County Appropriation	\$ 5,200,000	\$ 4,800,000	8.33%
Tuition Charges	32,923,875	32,845,738	0.24%
Non-Resident Fees	344,680	58,310	491.12%
Miscellaneous	192,540	255,597	-24.67%
State Sources	3,794,646	3,954,584	-4.04%
Federal Sources	631,610	145,671	333.59%
Total	<u>\$ 43,087,351</u>	<u>\$ 42,059,900</u>	<u>2.44%</u>

The total county appropriations revenue increased by \$400,000. Tuition revenue is up \$78,137. State and federal revenue is down \$159,938 and up \$485,939 respectively for the fiscal year.

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

	2015 Amount	2014 Amount	Percentage Change
Expenditures			
Special Education Instruction	\$ 15,200,512	\$ 15,424,094	-1.45%
Other Special Instruction	111,882	109,620	2.06%
Support Services & Undistributed Costs: Undistributed Expenditures	<u>24,326,695</u>	<u>25,669,928</u>	<u>-5.23%</u>
Total	<u>\$ 39,639,089</u>	<u>\$ 41,203,642</u>	<u>-3.80%</u>

Expenditures are down \$1,564,553 or (3.80%) over the prior year due to Plant Operations & Maintenance and Unallocated Benefit decreases. Revenues exceeded expenditures during the fiscal year resulting in an increase to fund balance in the amount of \$2,675,867.

General Fund Budget Information

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

Capital Assets

The District has \$4,038,712 net investment in capital assets. The majority of the acquisitions were for transportation vehicles throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 6).

Debt

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

Factors Expected to Have an Effect on Future Operations

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

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 4,058,895	\$ -	\$ 4,058,895
Internal Balances	1,128,767	(1,128,767)	-
Intergovernmental Accounts Receivables:			
Other	2,280,389	2,024,738	4,305,127
State	58,291	403	58,694
Federal	-	21,521	21,521
Inventory	-	26,428	26,428
Restricted Assets:			
Capital Reserve Account - Cash	1,509,852	-	1,509,852
Capital Assets, Net (Note 6):	3,771,907	266,805	4,038,712
Total Assets	12,808,101	1,211,128	14,019,229
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	2,837,549	-	2,837,549
Total Deferred Outflow of Resources	2,837,549	-	2,837,549
Total Assets and Deferred Outflow of Resources	15,645,650	1,211,128	16,856,778
LIABILITIES			
Cash Deficit	-	503,932	503,932
Accounts Payable	156,853	17,978	174,831
PERS Pension Payable	1,068,548	-	1,068,548
Other Payables	-	-	-
Unearned Revenue	663,553	-	663,553
Noncurrent Liabilities (Note 8):			
Due Beyond One Year	30,446,705	-	30,446,705
Total Liabilities	32,335,659	521,910	32,857,569
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	1,749,844	-	1,749,844
Total Deferred Inflow of Resources	1,749,844	-	1,749,844
Total Liabilities and Deferred Inflow of Resources	34,085,503	521,910	34,607,413
NET POSITION			
Net Investment in Capital Assets	3,771,907	266,805	4,038,712
Restricted for:			
Other Purposes	3,939,610	-	3,939,610
Unrestricted	(26,151,370)	422,413	(25,728,957)
Total Net Position	\$ (18,439,853)	\$ 689,218	\$ (17,750,635)

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Governmental Activities:						
Instruction:						
Special Education	\$ 15,200,512	-	-	(15,200,512)	\$ -	(15,200,512)
Other Special Instruction	111,882	-	-	(111,882)	-	(111,882)
Support Services:						
Student & Instruction Related Services	4,765,408	-	-	(4,765,408)	-	(4,765,408)
School Administrative Services	539,302	-	-	(539,302)	-	(539,302)
General & Business Administrative Services	2,813,961	-	-	(2,813,961)	-	(2,813,961)
Plant Operations & Maintenance	2,957,405	-	-	(2,957,405)	-	(2,957,405)
Pupil Transportation	545,275	-	-	(545,275)	-	(545,275)
Unallocated Benefits	17,093,711	-	8,483,196	(8,610,515)	-	(8,610,515)
Unallocated Compensated Absences	(57,160)	-	-	57,160	-	57,160
Unallocated Depreciation	235,561	-	-	(235,561)	-	(235,561)
Total Governmental Activities	44,205,857	-	8,483,196	(35,722,661)	-	(35,722,661)
Business-Type Activities:						
Food Service	1,333,438	344,611	326,731	-	(662,096)	(662,096)
School Store	2,261	7,349	-	-	5,088	5,088
Educational Services	14,562,395	13,835,792	-	-	(726,603)	(726,603)
VQ/CA	1,228,805	1,259,753	-	-	30,948	30,948
Alternative Education Program	1,486,578	1,310,976	-	-	(175,602)	(175,602)
Total Business-Type Activities	18,613,477	16,758,481	326,731	-	(1,528,265)	(1,528,265)
Total Primary Government	\$ 62,819,334	\$ 16,758,481	\$ 8,809,927	(35,722,661)	(1,528,265)	(37,250,926)
General Revenues:						
County Appropriation				5,200,000	-	5,200,000
Federal & State Aid Not Restricted				631,610	-	631,610
Tuition - LEAs				25,454,600	-	25,454,600
Other Tuition				7,469,275	-	7,469,275
Non Resident Fees				344,680	-	344,680
Miscellaneous Income				192,540	697	193,237
Transfers				(547,580)	547,580	-
Transfers from County				227,627	-	227,627
Total General Revenues, Special Items, Extraordinary Items & Transfers				38,972,752	548,277	39,521,029
Change In Net Position				3,250,091	(979,988)	2,270,103
Beginning Net Position, as restated (See Note 18)				(21,689,944)	1,669,206	(20,020,738)
Ending Net Position				\$ (18,439,853)	\$ 689,218	(17,750,635)

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

B. Fund Financial Statements

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Governmental Funds

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	GENERAL FUND	CAPITAL PROJECTS FUND	TOTALS
Cash & Cash Equivalents	\$ 4,283,710	\$ (224,815)	\$ 4,058,895
Cash & Cash Equivalents - Capital Reserve	1,509,852	-	1,509,852
Interfund Receivable	1,197,930	224,815	1,422,745
Intergovernmental Accounts Receivable:			
Other	2,274,938	-	2,274,938
State	58,291	-	58,291
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 9,324,721	\$ -	\$ 9,324,721
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 413,527	\$ -	\$ 413,527
Intergovernmental Accounts Payable	31,853	-	31,853
Unearned Revenue	663,553	-	663,553
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,108,933	-	1,108,933
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Restricted for:			
Capital Reserve Account	1,509,852	-	1,509,852
Assigned to:			
Other Purposes	2,429,758	-	2,429,758
Unassigned:			
General Fund	4,276,178	-	4,276,178
	<hr/>	<hr/>	<hr/>
Total Fund Balances	8,215,788	-	8,215,788
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	\$ 9,324,721	\$ -	<hr/> <hr/>
Amounts reported for governmental activities in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$8,310,477 and the accumulated depreciation is \$4,538,570.			\$ 3,771,907
PERS pension payable is not recorded in the fund financial statements due to the fact that it is not due in the current period.			(1,068,548)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.			1,087,705
Long term liabilities, including compensated absences and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			<hr/> (30,446,705) <hr/>
Net Position of Governmental Activities			<hr/> <u>\$ (18,439,853)</u> <hr/>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTALS
Revenues:			
County Appropriation	\$ 5,200,000	\$ -	\$ 5,200,000
Tuition Charges	25,454,600	-	25,454,600
Other Tuition	7,469,275	-	7,469,275
Nonresident Fees	344,680	-	344,680
Miscellaneous	192,540	-	192,540
State Sources	3,794,646	-	3,794,646
Federal Sources	631,610	-	631,610
	<hr/>		
Total Revenues	43,087,351	-	43,087,351
<hr/>			
Expenditures:			
Current:			
Special Education Instruction	15,200,512	-	15,200,512
Other Special Instruction	111,882	-	111,882
Support Services & Undistributed Costs:			
Student & Instruction Related Services	4,765,408	-	4,765,408
School Administrative Services	539,302	-	539,302
Other Administrative Services	2,513,961	-	2,513,961
Plant Operations & Maintenance	2,957,405	-	2,957,405
Pupil Transportation	545,275	-	545,275
Capital Outlay	971,714	452,442	1,424,156
Unallocated Benefits	12,033,630	-	12,033,630
	<hr/>		
Total Expenditures	39,639,089	452,442	40,091,531
<hr/>			
Excess/(Deficiency) of Revenues Over Expenditures	3,448,262	(452,442)	2,995,820
<hr/>			
Other Financing Sources/(Uses):			
Transfers from County	-	227,627	227,627
Transfer To/(From)	(224,815)	224,815	-
Contribution to Food Service	(547,580)	-	(547,580)
	<hr/>		
Total Other Financing Sources & Uses	(772,395)	452,442	(319,953)
<hr/>			
Net Change in Fund Balances	2,675,867	-	2,675,867
Fund Balance - July 1, as Restated (See Note 18)	5,539,921	-	5,539,921
	<hr/>		
Fund Balance - June 30	\$ 8,215,788	\$ -	\$ 8,215,788
	<hr/>		

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 2,675,867

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

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

Additions	\$	1,124,156	
Depreciation Expense		<u>(235,561)</u>	888,595

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

PERS District Pension Contribution - 2015	1,275,481		
State Share of Unfunded TPAF Pension Expense	4,688,550		
Unfunded TPAF Pension Expense	(4,688,550)		
Pension Expense	<u>(1,647,012)</u>		(371,531)

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

Prior Year Compensated Absences	1,141,384		
Current Year Compensated Absences	<u>(1,084,224)</u>		57,160

Change in Net Position of Governmental Activities \$ 3,250,091

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Proprietary Funds

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINED STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	TOTALS
Current Assets:							
Cash & Cash Equivalents	\$ -	\$ -	\$ 39,694	\$ -	\$ 173,362	\$ -	\$ 213,056
Interfund Receivable	34,134	29,578	-	-	-	-	63,712
Receivable:							
State	403	-	-	-	-	-	403
Federal	21,521	-	-	-	-	-	21,521
Other	-	-	-	1,722,239	-	302,499	2,024,738
Inventories	16,278	7,220	2,930	-	-	-	26,428
Total Current Assets	72,336	36,798	42,624	1,722,239	173,362	302,499	2,349,858
Capital Assets:							
Equipment	321,779	-	1,527	382,416	-	190,685	896,407
Less: Accumulated Depreciation	(231,457)	-	(1,527)	(382,416)	-	(14,202)	(629,602)
Total Capital Assets	90,322	-	-	-	-	176,483	266,805
Total Assets	162,658	36,798	42,624	1,722,239	173,362	478,982	2,616,663
LIABILITIES							
Cash Deficit	32,443	25,834	-	4,127	-	654,584	716,988
Accounts Payable	-	10,964	-	7,014	-	-	17,978
Interfund Payables	-	-	-	1,192,479	-	-	1,192,479
Total Liabilities	32,443	36,798	-	1,203,620	-	654,584	1,927,445
NET POSITION							
Net Investment in Capital Assets	90,322	-	-	-	-	176,483	266,805
Unrestricted	39,893	-	42,624	518,619	173,362	(352,085)	422,413
Total Net Position	\$ 130,215	\$ -	\$ 42,624	\$ 518,619	\$ 173,362	\$ (175,602)	\$ 689,218

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND						
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	TOTALS
OPERATING REVENUES							
Local Sources:							
Daily Sales - Reimbursable Programs							
School Lunch & Breakfast Programs	\$ 63,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,767
Daily Sales - Nonreimbursable Programs	82,872	82,091	-	-	-	-	164,963
Special Functions	106,104	5,810	-	-	-	-	111,914
Fees for Services	-	-	-	13,835,792	-	-	13,835,792
Other Revenue	3,346	621	-	-	1,259,753	1,310,976	2,574,696
Sale of Merchandise	-	-	7,349	-	-	-	7,349
Total Operating Revenue	256,089	88,522	7,349	13,835,792	1,259,753	1,310,976	16,758,481
OPERATING EXPENSES							
Salaries & Wages	584,005	59,641	-	6,980,752	1,077,191	-	8,701,589
Purchased Professional Services	122,816	-	-	1,275,713	-	1,245,440	2,643,969
Purchased Services - Transportation	-	-	-	5,780,859	-	6,473	5,787,332
Rental of Land and Buildings	-	-	-	-	7,980	129,428	137,408
Repairs	18,660	-	-	-	-	-	18,660
Supplies & Materials	125,115	13,028	-	516,610	-	76,920	731,673
Depreciation	11,970	-	-	-	-	14,202	26,172
Miscellaneous Expenditures	18,143	5,190	-	8,461	143,634	14,115	189,543
Cost of Sales	326,478	48,392	2,261	-	-	-	377,131
Total Operating Expenses	1,207,187	126,251	2,261	14,562,395	1,228,805	1,486,578	18,613,477
Operating Gain/(Loss)	(951,098)	(37,729)	5,088	(726,603)	30,948	(175,602)	(1,854,996)
Nonoperating Revenues:							
State Sources:							
State School Lunch Program	4,197	-	-	-	-	-	4,197
Federal Source:							
School Breakfast Program	102,580	-	-	-	-	-	102,580
National School Lunch Program	188,281	-	-	-	-	-	188,281
Healthy Hunger-Free Kids Act	4,729	-	-	-	-	-	4,729
Food Distribution Program	26,944	-	-	-	-	-	26,944
Interest Income	91	-	18	588	-	-	697
Operating Transfer In/(Out) General Fund Board Contribution	509,851	37,729	-	-	-	-	547,580
Total Nonoperating Revenues/Expenses	836,673	37,729	18	588	-	-	875,008
Change in Net Position	(114,425)	-	5,106	(726,015)	30,948	(175,602)	(979,988)
Total Net Position - Beginning	244,640	-	37,518	1,244,634	142,414	-	1,669,206
Total Net Position - Ending	\$ 130,215	\$ -	\$ 42,624	\$ 518,619	\$ 173,362	\$ (175,602)	\$ 689,218

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND							TOTALS
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM		
Cash Flows From Operating Activities:								
Receipts from Customers	\$ 318,168	\$ 88,522	\$ 7,349	\$ 14,178,615	\$ 1,259,753	\$ 1,008,477	\$ 16,860,884	
Payments to Employees	(584,005)	-	-	(5,788,103)	(1,077,191)	-	(7,449,299)	
Payments to Suppliers	(611,117)	(126,224)	(3,491)	(7,621,700)	(151,614)	(1,472,376)	(9,986,522)	
Net Cash Provided/(Used) by Operating Activities	(876,954)	(37,702)	3,858	768,812	30,948	(463,899)	(574,937)	
Cash Flows From Noncapital Financing Activities								
State Sources	4,342	-	-	-	-	-	4,342	
Federal Sources	323,865	-	-	-	-	-	323,865	
Operating Subsidies & Transfers to Other Funds	509,851	-	-	-	-	-	509,851	
Net Cash Provided/(Used) by Noncapital Financing Activities	838,058	-	-	-	-	-	838,058	
Cash Flows From Capital & Related Financing Activities:								
Purchases of Capital Assets	-	-	-	-	-	(190,685)	(190,685)	
Net Cash Provided/(Used) by Capital & Related Financing Activities	-	-	-	-	-	(190,685)	(190,685)	
Cash Flows From Investing Activities								
Interest & Dividends	91	-	18	588	-	-	697	
Net Cash Provided/(Used) by Investing Activities	91	-	18	588	-	-	697	
Net Increase/(Decrease) in Cash & Cash Equivalents	(38,805)	(37,702)	3,876	769,400	30,948	(654,584)	73,133	
Balances - Beginning of Year	6,362	11,868	35,818	(773,527)	142,414	-	(577,065)	
Balances - End of Year	\$ (32,443)	\$ (25,834)	\$ 39,694	\$ (4,127)	\$ 173,362	\$ (654,584)	\$ (503,932)	

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

Operating Income/(Loss)	\$ (951,098)	\$ (37,729)	\$ 5,088	\$ (726,603)	\$ 30,948	\$ (463,899)	\$ (2,143,293)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:							
Depreciation & Net Amortization (Increase)/Decrease in Accounts Receivable, Net	11,970	-	-	-	-	-	11,970
(Increase)/Decrease in Inventories	-	-	-	342,823	-	-	342,823
(Increase)/Decrease in Interfund A/R	95	(4)	(1,230)	-	-	-	(1,139)
Increase/(Decrease) in Accounts Payable	62,079	-	-	170	-	-	62,249
	-	31	-	1,152,422	-	-	1,152,453
Total Adjustments	74,144	27	(1,230)	1,495,415	-	-	1,568,356
Net Cash Provided/(Used) by Operating Activities	\$ (876,954)	\$ (37,702)	\$ 3,858	\$ 768,812	\$ 30,948	\$ (463,899)	\$ (574,937)

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

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Fiduciary Fund

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	DONATION TRUST	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL FUND	
Cash & Cash Equivalents	\$ 65,116	\$ 33,304	\$ 326,936	\$ 239,337	\$ 664,693
Interfund Receivable	-	-	125,000	-	125,000
Total Assets	65,116	33,304	451,936	239,337	789,693
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	233,886	233,886
Unemployment Claims Payable	-	64,103	-	-	64,103
Interfund Accounts Payable:					
General Fund	-	-	-	5,451	5,451
Payable to Student Groups	-	-	451,936	-	451,936
Total Liabilities	-	64,103	451,936	239,337	755,376
NET POSITION					
Reserved for Unemployment Claims	-	(30,799)	-	-	(30,799)
Reserved for Students	65,116	-	-	-	65,116
Total Net Position	\$ 65,116	\$ (30,799)	\$ -	\$ -	\$ 34,317

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		TOTALS
	DONATION TRUST	UNEMPLOYMENT TRUST	
ADDITIONS			
Employee Contributions	\$ -	\$ 27,172	\$ 27,172
Total Contributions	-	27,172	27,172
Interest Earnings	32	4	36
Total Additions	32	27,176	27,208
DEDUCTIONS			
Disbursements	-	64,103	64,103
Total Deductions	-	64,103	64,103
Change in Net Position	32	(36,927)	(36,895)
Net Position - Beginning of the Year	65,084	6,128	71,212
Net Position - End of the Year	\$ 65,116	\$ (30,799)	\$ 34,317

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Burlington County Special Services School District is a Special Services District located in the County of Burlington, State of New Jersey. As a Special Services District, the School District functions independently through a Board of Education. The Board is comprised of six members appointed to three-year terms. These terms are staggered so that two members’ terms expire each year. In addition, the County Superintendent serves as an ex-officio member. The purpose of the School District is to provide programs adapted to each student’s unique needs and abilities. Focusing on students’ capabilities, the District provides specialized academic instructional approaches, a carefully planned sequence of career development experiences, physical education, and recreational activities combined with the specialized therapeutic interventions needed to assure that each child reaches full potential. By carefully structuring each student’s program on an individual basis, the District strives to have each student become a productive, self-sufficient member of the community. The Burlington County Special Services School District has an approximate enrollment at June 30, 2015 of 690 students.

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

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

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

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

The District reports the following major governmental funds:

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

The District reports the following major proprietary fund:

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

The District's Enterprise Fund is composed of the Food Service Fund, the Human Services Facility Food Service Fund, the school Store Fund, the Educational Services Unit, the VQ/CA Fund and the Alternative Education Program.

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

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

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

Equipment	12 Years
Light Trucks & Vehicle	4 Years
Heavy Trucks & Vehicle	6 Years

Additionally, the District reports the following major fiduciary funds:

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

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

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

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

Budgets/Budgetary Control

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, includes all amendments to the adopted budget, if any.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves 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-

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Bond Premiums, Discounts and Issuance Costs

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

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

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

Deferred Loss on Refunding Debt

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

Deferred Inflows/Outflows of Resources

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

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 16, 2015, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

Cash Deposits

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 2. Cash and Cash Equivalents (continued):

in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$9,238,207 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Collateralized by securities held by Pledging financial institution	768,938
Uninsured and uncollateralized	<u>8,219,269</u>
Total	<u>\$ 9,238,207</u>

Investments

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

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

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

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

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

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

The District did not hold any investments at June 30, 2015.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 3. Reserve Accounts

A. Capital Reserve Account

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

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

The activity of the capital reserve for the June 30, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 1,508,343
Add: Interest	<u>1,509</u>
Ending Balance, June 30, 2015	<u><u>\$ 1,509,852</u></u>

Note 4. Transfers to Capital Outlay

During the year ending June 30, 2015, the District transferred \$2,228,673 to capital outlay accounts.

Note 5. Inventory

Inventory in the Enterprise Funds at June 30, 2015 consisted of the following:

Food Service Fund - Food Supplies	\$ 16,278
Human Services Facility - Food Supplies	7,220
School Store - Clothing & Other Resale Items	<u>2,930</u>
Total Inventory	<u><u>\$ 26,428</u></u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6. Capital Assets

The following schedule is a summarization of the general capital assets recorded at historical cost by source for the fiscal year ended June 30, 2015:

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
Governmental Activities:					
Capital assets that are not being depreciated:					
Construction in progress	\$ 522,436	\$ 923,571	\$ -	\$ -	\$ 1,446,007
Total capital assets not being depreciated	522,436	923,571	-	-	1,446,007
Machinery and equipment	6,663,885	200,585	-	-	6,864,470
Subtotal	6,663,885	200,585	-	-	6,864,470
Less: accumulated depreciation:					
Machinery and equipment	(4,303,009)	(235,561)	-	-	(4,538,570)
Total accumulated depreciation	(4,303,009)	(235,561)	-	-	(4,538,570)
Total capital assets being depreciated, net	2,360,876	(34,976)	-	-	2,325,900
Governmental activities capital assets, net	\$ 2,883,312	\$ 888,595	\$ -	\$ -	\$ 3,771,907

The following schedule is a summary of the proprietary fund type capital assets at June 30, 2015:

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
Machinery & Equipment	\$ 705,722	\$ 190,685	\$ -	\$ -	\$ 896,407
Subtotal	705,722	190,685	-	-	896,407
Accumulated Depreciation	(603,430)	(26,172)	-	-	(629,602)
Total	\$ 102,292	\$ 164,513	\$ -	\$ -	\$ 266,805

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7. Receivables

Receivables at June 30, 2015 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectable in full due to the stable condition of the other governmental units, State programs and the current year guarantee of federal funds.

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

	General Fund	Proprietary Funds	Total
State Aid	\$ 58,291	\$ 403	\$ 58,694
Federal Aid	-	21,521	21,521
Other	2,274,938	2,024,738	4,299,676
	<hr/>	<hr/>	<hr/>
Total	\$ 2,333,229	\$ 2,046,662	\$ 4,379,891
	<hr/>	<hr/>	<hr/>

Note 8. Long-Term Obligations

During the fiscal year ended June 30, 2015 the following changes occurred in long-term obligations:

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015
Compensated Absences Payable	\$ 1,141,384	\$ -	\$ (57,160)	\$ 1,084,224
Net Pension Payable	28,971,793	390,688	-	29,362,481
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 30,113,177	\$ 390,688	\$ (57,160)	\$ 30,446,705
	<hr/>	<hr/>	<hr/>	<hr/>

A. Bonds Payable

As of June 30, 2015, the District had no bonds payable outstanding.

B. Bonds Authorized But Not Issued

As of June 30, 2015, the District had no authorized but not issued bonds.

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

The Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 1,068,548	100%	\$ 29,362,481
6/30/2014	1,275,481	100%	28,971,793
6/30/2013	1,209,733	100%	N/A

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$29,362,481 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .15683%, which was an increase of .00524% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	6/30/2015 July 1, 2014	6/30/2014 July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 2,837,549	\$ 1,275,481
Deferred Inflows of Resources	\$ 1,749,844	N/A
Net Pension Liability	\$ 29,362,481	\$ 28,971,793
District's portion of the Plan's total net pension Liability	0.15683%	0.15159%

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

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

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	<u>100.00%</u>	

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>Decrease</u> <u>(4.39%)</u>	<u>Discount</u> <u>(5.39%)</u>	<u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 36,939,002	\$ 29,362,481	\$ 23,000,133

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

The following represents the membership tiers for TPAF:

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

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

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

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 2,627,756	100%	-
6/30/2014	2,214,791	100%	-
6/30/2013	2,801,668	100%	-

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	<u>0.00%</u>	3.74%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 9. Pension Obligations (continued):

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

on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2015, employee contributions total \$67,191, and the District recognized pension expense of \$39,218.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2015.

Note 11. Risk Management

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 11. Risk Management (continued):

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

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

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

Fiscal Year	Distict Contributions	Employee Contributions	Interest	Claims	Ending Balance
2014-2015	\$ -	\$ 27,172	\$ 4	\$ 64,103	\$ (30,799)
2013-2014	-	-	3	-	6,128
2012-2013	-	-	19	-	6,125

Note 12. Contingencies

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined statements for such contingencies.

Note 13. Economic Dependency

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 14. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,197,930	\$ 413,527
Capital Projects Fund	224,815	-
Food Service	34,134	-
Educational Services Unit	-	1,192,479
Human Services	29,578	-
Payroll Trust Fund	-	5,451
Student Activities	125,000	-
	<hr/>	<hr/>
Total	<u>\$ 1,611,457</u>	<u>\$ 1,611,457</u>

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

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 264,752	\$ 1,262,386
Capital Projects Fund	-	224,815
Food Service Fund	64,286	2,207
Educational Services Unit	1,192,649	-
Human Services	-	37,730
Payroll Trust Fund	5,451	-
	<hr/>	<hr/>
	<u>\$ 1,527,138</u>	<u>\$ 1,527,138</u>

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

Note 15. Compensated Absences

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 15. Compensated Absences (continued):

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$1,084,224.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

Note 16. Fund Balance Disclosures

General Fund – of the \$8,215,788 General Fund fund balance at June 30, 2015, \$1,509,852 has been restricted for the Capital Reserve Account; \$2,429,758 has been assigned to other purposes and \$4,276,178 is unassigned.

Note 17. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position for the Governmental Activities in the amount of \$18,439,853 at June 30, 2015. The primary causes of this deficit includes the District recording of long-term liabilities for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 18. Restatement of Net Position and General Fund Fund Balance

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

General Fund fund balance as of July 1, 2014 has been restated as follows for the payment in the current period on a prior period accounts payable that had been previously cancelled.

	Governmental Activities
Net Position as previously reported at June 30, 2014	\$ 7,519,012
Payment in the current period on a prior period accounts payable that had been previously cancelled	(237,163)
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2014)	(28,971,793)
Deferred Outflows - district contributions made during fiscal year 2015	1,275,481
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(1,275,481)</u>
Total Prior Period Adjustment	<u>(29,208,956)</u>
Net Position as restated, July 1, 2014	<u><u>\$ (21,689,944)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 5,200,000	\$ 400,000
Tuition - LEAs	10-1310	26,769,341	-	26,769,341	25,454,600	(1,314,741)
Other Tuition	10-1320-1340	6,679,760	-	6,679,760	7,469,275	789,515
Nonresident Fees	10-1350	350,000	-	350,000	344,680	(5,320)
Rents and Royalties	10-1910	60,000	(60,000)	-	-	-
Textbook Sales and Rentals	10-1940	168,000	(168,000)	-	-	-
Interest Earned on Capital Reserve	10-1XXX	7,000	-	7,000	1,509	(5,491)
Miscellaneous	10-1XXX	-	228,000	228,000	191,031	(36,969)
Total Local Sources		38,834,101	-	38,834,101	38,661,095	(173,006)
State Sources:						
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,612,199	1,612,199
On-Behalf TPAF Pension Contributions		-	-	-	1,015,557	1,015,557
Reimbursed TPAF Social Security Contributions		-	-	-	1,166,890	1,166,890
Total State Sources		-	-	-	3,794,646	3,794,646
Federal Sources:						
Special Education Aid - Medicaid Initiative	11-4200-000	-	-	-	498,594	498,594
ARRA - Special Education Aid - Medicaid Initiative	11-4200-000	-	-	-	133,016	133,016
Total Federal Services		-	-	-	631,610	631,610
Total Revenues		38,834,101	-	38,834,101	43,087,351	4,253,250
Expenditures:						
Current Expense:						
Special Education - Instruction:						
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	1,777,720	(36,141)	1,741,579	1,741,573	6
Other Salaries for Instruction	11-209-100-106	968,466	(84,378)	884,088	883,942	146
Purchased Professional Education Services	11-209-100-320	40,000	64,304	104,304	104,303	1
Y.M.C.A.	11-209-100-330	85,000	-	85,000	35,389	49,611
Other Purchased Services	11-209-100-500	61,807	(15,034)	46,773	44,521	2,252
General Supplies	11-209-100-610	134,640	(23,864)	110,776	109,171	1,605
Textbooks	11-209-100-640	18,587	(13,576)	5,011	4,975	36
Total Behavioral Disabilities		3,086,220	(108,689)	2,977,531	2,923,874	53,657
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	4,154,428	(349,527)	3,804,901	3,804,899	2
Other Salaries for Instruction	11-212-100-106	2,747,402	(138,865)	2,608,537	2,608,528	9
Purchased Technical Services	11-212-100-320	65,000	88,611	153,611	153,611	-
Y.M.C.A.	11-212-100-330	90,000	-	90,000	33,206	56,794
Other Purchased Services	11-212-100-500	86,183	5,326	91,509	88,767	2,742
General Supplies	11-212-100-610	145,261	(18,407)	126,854	116,937	9,917
Textbooks	11-212-100-640	12,079	(2,600)	9,479	9,472	7
Total Multiple Disabilities		7,300,353	(415,462)	6,884,891	6,815,420	69,471
Autism:						
Salaries of Teachers	11-214-100-101	1,526,101	(285,278)	1,240,823	1,240,788	35
Other Salaries for Instruction	11-214-100-106	1,731,972	(148,043)	1,583,929	1,583,911	18
Purchased Professional Educational Services	11-214-100-320	31,000	98,259	129,259	129,259	-
Y.M.C.A.	11-214-100-330	85,000	-	85,000	17,543	67,457
Other Purchased Services	11-214-100-500	100,805	(4,700)	96,105	94,575	1,530
General Supplies	11-214-100-610	62,202	(17,177)	45,025	42,740	2,285
Total Autism		3,537,080	(356,939)	3,180,141	3,108,816	71,325
Preschool Disabilities -Full-Time:						
Salaries of Teachers	11-216-100-101	247,612	(63,755)	183,857	183,856	1
Other Salaries for Instruction	11-216-100-106	146,840	4,608	151,448	151,448	-
Purchased Professional Educational Services	11-216-100-320	2,000	75,000	77,000	76,961	39
Y.M.C.A.	11-216-100-330	15,000	-	15,000	8,873	6,127
Other Purchased Services	11-216-100-500	1,254	(630)	624	-	624
General Supplies	11-216-100-610	16,200	(2,318)	13,882	13,347	535
Total Preschool Disabilities - Full-Time		428,906	12,905	441,811	434,485	7,326

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Home Instruction:						
Salaries of Teachers	11-219-100-101	5,000	(240)	4,760	4,760	-
Total Home Instruction		5,000	(240)	4,760	4,760	-
Extended School Year:						
Salaries of Teachers	11-221-100-101	520,000	62,641	582,641	582,640	1
Other Salaries for Instruction	11-221-100-106	310,500	16,308	326,808	326,807	1
Purchased Professional Educational Services	11-221-100-320	5,000	2,075	7,075	7,073	2
Total Extended School Year		835,500	81,024	916,524	916,520	4
Cognitive Severe:						
Salaries of Teachers	11-222-100-101	524,740	54,636	579,376	579,376	-
Other Salaries for Instruction	11-222-100-106	433,961	(69,279)	364,682	364,677	5
Purchased Professional Educational Services	11-222-100-320	21,000	18,932	39,932	33,804	6,128
Other Purchased Services	11-222-100-500	1,080	(35)	1,045	618	427
General Supplies	11-222-100-610	18,650	(467)	18,183	18,162	21
Total Cognitive-Severe		999,431	3,787	1,003,218	996,637	6,581
Total Special Education		16,192,490	(783,614)	15,408,876	15,200,512	208,364
School Sponsored Cocurricular Activities:						
Salaries (Stipends)	11-401-100-100	280,000	(170,700)	109,300	109,293	7
Other Purchased Services	11-401-100-500	4,500	(2,333)	2,167	564	1,603
Supplies and Materials	11-401-100-600	1,500	700	2,200	2,025	175
Total School Sponsored Cocurricular Activities		286,000	(172,333)	113,667	111,882	1,785
Total Instruction		16,478,490	(955,947)	15,522,543	15,312,394	210,149
Undistributed Expenditures:						
Community Services:						
Salaries	11-800-330-100	19,515	(7,107)	12,408	10,662	1,746
Supplies and Materials	11-800-330-600	500	(132)	368	368	-
Total Community Services		20,015	(7,239)	12,776	11,030	1,746
Health Services:						
Salaries	11-000-213-100	483,866	8,250	492,116	492,116	-
Purchased Professional Services	11-000-213-300	20,000	(4,300)	15,700	15,670	30
Other Purchased Services	11-000-213-500	678	(500)	178	176	2
Supplies and Materials	11-000-213-600	11,929	-	11,929	11,880	49
Total Health Services		516,473	3,450	519,923	519,842	81
Other Related Services						
Services:						
Salaries	11-000-216-100	2,307,236	(64,750)	2,242,486	2,242,470	16
Purchased Prof. Services	11-000-216-300	40,000	98,367	138,367	103,681	34,686
Supplies & Materials	11-000-216-600	15,856	(760)	15,096	15,088	8
Total Other Related Services		2,363,092	32,857	2,395,949	2,361,239	34,710
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	220,490	(140,173)	80,317	80,292	25
Salaries of Secretarial & Clerical Assistants	11-000-219-105	242,617	2,949	245,566	245,564	2
Other Salaries	11-000-219-110	1,140,626	12,100	1,152,726	1,152,726	-
Purchased Ed Services	11-000-219-320	30,000	68,620	98,620	93,700	4,920
Purchased Technical Services	11-000-219-390	34,000	(7,000)	27,000	20,930	6,070
Other Purchased Services	11-000-219-500	6,900	(4,220)	2,680	2,625	55
Supplies & Materials	11-000-219-600	15,377	(3,796)	11,581	11,580	1
Other Objects	11-000-219-800	3,496	(360)	3,136	2,845	291
Total Other Support Services - Students - Special Services		1,693,506	(71,880)	1,621,626	1,610,262	11,364

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instruction Services/Other						
Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	140,511	(1,330)	139,181	139,181	-
Salaries of Other Professional Staff	11-000-221-104	20,000	(18,547)	1,453	1,453	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	56,976	(25,810)	31,166	31,166	-
Other Purchased Services	11-000-221-500	30,950	23,754	54,704	50,738	3,966
Supplies and Materials	11-000-221-600	11,600	(6,125)	5,475	5,442	33
Other Objects	11-000-221-800	5,300	(1,079)	4,221	4,177	44
Total Improvement of Instruction Services/Other Support Services Instructional Staff		265,337	(29,137)	236,200	232,157	4,043
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	12,500	(12,500)	-	-	-
Other Purchased Services	11-000-223-500	48,000	(19,049)	28,951	25,024	3,927
Supplies and Materials	11-000-223-600	5,000	855	5,855	5,854	1
Total Instructional Staff Training Services		65,500	(30,694)	34,806	30,878	3,928
Support Services General Administration:						
Salaries	11-000-230-100	142,000	(40,930)	101,070	101,040	30
Legal Services	11-000-230-331	80,000	(3,250)	76,750	76,672	78
Audit Fees	11-000-230-332	45,000	-	45,000	38,690	6,310
Other Purchased Professional Services	11-000-230-339	30,000	6,150	36,150	19,362	16,788
Communications/Telephone	11-000-230-530	275,000	20,581	295,581	279,128	16,453
BOE Other Purchased Services	11-000-230-585	10,000	7,948	17,948	8,472	9,476
Supplies and Materials	11-000-230-610	2,500	(2,500)	-	-	-
Miscellaneous Expenditures	11-000-230-890	10,000	3,438	13,438	13,238	200
BOE Membership Dues and Fees	11-000-230-895	10,000	(7,300)	2,700	2,700	-
Total Support Services General Administration		604,500	(15,863)	588,637	539,302	49,335
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	652,499	44,807	697,306	697,293	13
Salaries of Secretarial & Clerical Assistants	11-000-240-105	237,925	8,203	246,128	246,123	5
Purchased Professional & Tech Services	11-000-240-300	60,000	89,597	149,597	149,551	46
Other Purchased Services	11-000-240-500	1,500	(735)	765	243	522
Supplies and Materials	11-000-240-600	15,565	(9,710)	5,855	5,813	42
Other Objects	11-000-240-800	9,640	3,227	12,867	11,487	1,380
Total Support Services School Administration		977,129	135,389	1,112,518	1,110,510	2,008
Support Services Central Services						
Salaries	11-000-251-100	649,038	21,950	670,988	670,934	54
Purchased Professional Services	11-000-251-330	155,000	(124,700)	30,300	30,300	-
Other Purchased Services	11-000-251-592	9,800	103,990	113,790	104,775	9,015
Supplies and Materials	11-000-251-600	31,500	15,600	47,100	45,598	1,502
Other Objects	11-000-251-890	312,500	(296,850)	15,650	15,507	143
Total Support Services Central Services		1,157,838	(280,010)	877,828	867,114	10,714
Support Services Administrative Information Technology:						
Salaries	11-000-252-100	162,966	30,000	192,966	192,941	25
Other Purchased Professional Services	11-000-252-330	128,000	57,220	185,220	164,338	20,882
Supplies and Materials	11-000-252-600	100,000	140,599	240,599	177,417	63,182
Other Objects	11-000-252-800	2,000	(300)	1,700	1,641	59
Total Support Services Administrative Information Technology		392,966	227,519	620,485	536,337	84,148
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	422,032	29,183	451,215	451,212	3
Cleaning, Repair & Maintenance Services	11-000-261-420	264,000	(28,827)	235,173	220,232	14,941
General Supplies	11-000-261-610	152,000	2,127	154,127	150,444	3,683
Other Objects	11-000-261-800	4,250	(2,360)	1,890	1,809	81
Total Allowable Maintenance for School Facilities		842,282	123	842,405	823,697	18,708

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Operation & Maintenance of Plant:						
Salaries	11-000-262-100	917,858	(23,228)	894,630	894,445	185
Purchased Professional & Technical Services	11-000-262-300	129,250	66,098	195,348	195,183	165
Cleaning, Repair & Maintenance Services	11-000-262-420	46,500	35,350	81,850	54,579	27,271
Other Purchased Property Services	11-000-262-490	95,000	(16,854)	78,146	70,985	7,161
Insurance	11-000-262-520	223,523	(7,484)	216,039	206,845	9,194
General Supplies	11-000-262-610	149,000	46,790	195,790	154,089	41,701
Energy (Natural Gas)	11-000-262-621	275,000	-	275,000	200,168	74,832
Energy (Electricity)	11-000-262-622	525,000	-	525,000	304,917	220,083
Other Objects	11-000-262-800	3,500	100	3,600	3,559	41
Total Operation & Maintenance of Plant		2,364,631	100,772	2,465,403	2,084,770	380,633
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	10,000	2,750	12,750	12,656	94
General Supplies	11-000-263-610	30,000	8,505	38,505	36,282	2,223
Total Care & Upkeep of Grounds		40,000	11,255	51,255	48,938	2,317
Total Operation & Maintenance of Plant Services & Allowable Maintenance for School Facilities		3,246,913	112,150	3,359,063	2,957,405	401,658
Security Services:						
Salaries	11-000-266-100	-	69,125	69,125	69,079	46
Purchased Professional & Technical Services	11-000-266-330	145,000	41,239	186,239	186,235	4
General Supplies	11-000-266-610	-	4,370	4,370	4,369	1
Total Security Services		145,000	114,734	259,734	259,683	51
Student Transportation Services:						
Salaries Pupil Transportation (Between Home & School) Nonpublic	11-000-270-163	270,069	13,313	283,382	283,381	1
Cleaning, Repair, & Maintenance Services	11-000-270-420	25,000	(22,789)	2,211	2,211	-
Total Student Transportation Services		295,069	(9,476)	285,593	285,592	1
Unallocated Benefits Employee Benefits:						
Social Security Contributions	11-000-291-220	1,150,000	(103,000)	1,047,000	1,046,786	214
Other Retirement Contributions - Regular	11-000-291-241	1,393,489	(10,101)	1,383,388	1,383,372	16
Unemployment Compensation	11-000-291-250	150,000	(61,500)	88,500	88,212	288
Workmen's Compensation	11-000-291-260	550,000	198,300	748,300	748,203	97
Health Benefits	11-000-291-270	6,600,850	(1,564,241)	5,036,609	4,946,541	90,068
Tuition Reimbursement	11-000-291-280	71,000	(43,630)	27,370	25,870	1,500
Total Unallocated Benefits - Employee Benefits		9,915,339	(1,584,172)	8,331,167	8,238,984	92,183
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,612,199	(1,612,199)
On-Behalf TPAF Pension Contributions		-	-	-	1,015,557	(1,015,557)
Reimbursed TPAF Social Security Contributions		-	-	-	1,166,890	(1,166,890)
Total Undistributed Expenditures		21,658,677	(1,402,372)	20,256,305	23,354,981	(3,098,676)
Total Expenditures - Current Expense		38,137,167	(2,358,319)	35,778,848	38,667,375	(2,888,527)
Capital Outlay:						
Administrartion Information Technology	12-000-252-730	40,000	74,388	114,388	52,658	61,730
Maintenance Equipment	12-000-262-732	-	274,645	274,645	127,894	146,751
Security Equipment	12-000-266-730	-	488,137	488,137	-	488,137
Transportation Equipment	12-000-270-730	-	103,441	103,441	-	103,441
Interest Deposit to Capital Reserve	10-604	7,000	-	7,000	-	7,000
Total Equipment		47,000	940,611	987,611	180,552	807,059

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	200,000	1,000,027	1,200,027	471,129	728,898
Contribution for County Debt Service	12-000-510-900	-	300,000	300,000	300,000	-
Equipment - High School and Middle School	12-212-100-731	22,000	(1,965)	20,035	20,033	2
Student Activity Equipment	12-401-100-730	10,000	(10,000)	-	-	-
Total Facilities Acquisition & Construction Services:		232,000	1,288,062	1,520,062	791,162	728,900
Total Capital Outlay		279,000	2,228,673	2,507,673	971,714	1,535,959
Total Expenditures		38,416,167	(129,646)	38,286,521	39,639,089	(1,352,568)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		417,934	129,646	547,580	3,448,262	2,900,682
Other Financing Sources/(Uses):						
Transfer to Capital Projects Fund		-	-	-	(224,815)	224,815
Board Contribution to Food Service Fund		(417,934)	(129,646)	(547,580)	(547,580)	-
Total Other Financing Sources/(Uses)		(417,934)	(129,646)	(547,580)	(772,395)	224,815
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		-	-	-	2,675,867	2,675,867
Fund Balances, July 1 - Restated (Note 18)		5,539,921	-	5,539,921	5,539,921	-
Fund Balances, June 30		\$ 5,539,921	\$ -	\$ 5,539,921	\$ 8,215,788	\$ 2,675,867

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$ 1,509,852
Assigned Fund Balance:	
Year-End Encumbrances	2,296,742
ARRA - Special Education - Medicaid Initiative	133,016
Unassigned Fund Balance	<u>4,276,178</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 8,215,788</u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2015**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND N-1
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Revenue"	
From the Budgetary Comparison Schedule (C-Series)	<u>\$ 43,087,351</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u><u>\$ 43,087,351</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 39,639,089</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u><u>\$ 39,639,089</u></u>

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

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

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

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

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

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

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

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

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

Not Applicable

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F. Capital Projects Fund

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2015
		PRIOR YEARS	CURRENT YEAR	
Various Capital Improvements:				
County Appropriations				
State School Building Aid - (ROD) Grants	\$ 966,420	\$ 513,978	\$ 452,442	\$ -
Total	\$ 966,420	\$ 513,978	\$ 452,442	\$ -

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues & Other Financing Sources:	
Transfers from County	\$ 227,627
Transfers from General Fund	<u>224,815</u>
 Total Revenues	 <u>452,442</u>
Expenditures & Other Financing Uses:	
Construction Services	<u>452,442</u>
 Total Expenditures	 <u>452,442</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
LUMBERTON CAMPUS - ROOFING PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 336,169	\$ -	\$ 336,169	\$ 336,169
County Appropriations	504,253	227,627	731,880	731,880
Transfer from General Fund	-	224,815	224,815	224,815
	<hr/>			
Total Reserve	840,422	452,442	1,292,864	1,292,864
<hr/>				
Expenditures & Other Financing Uses:				
Construction Services	504,253	452,442	956,695	956,695
Transfer to County	336,169	-	336,169	336,169
	<hr/>			
Total Expenditures & Other Financing Uses	840,422	452,442	1,292,864	1,292,864
<hr/>				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
	<hr/> <hr/>			

ADDITIONAL PROJECT INFORMATION

Project Number	0605-055-10-1002
Grant Date	11/15/2012
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 840,422
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,292,864
Percentage Increase Over Original Authorized Cost	-35%
Percentage Completion	100%
Original Target Completion Date	2010-2011
Revised Target Completion Date	N/A

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G. Proprietary Funds

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Enterprise Funds

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	2015
Current Assets:							
Cash & Cash Equivalents	\$ -	\$ -	\$ 39,694	\$ -	\$ 173,362	\$ -	\$ 213,056
Interfund Receivable	34,134	29,578	-	-	-	-	63,712
Receivable:							
State	403	-	-	-	-	-	403
Federal	21,521	-	-	-	-	-	21,521
Other (Net)	-	-	-	1,722,239	-	302,499	2,024,738
Inventories	16,278	7,220	2,930	-	-	-	26,428
Total Current Assets	72,336	36,798	42,624	1,722,239	173,362	302,499	2,349,858
Fixed Assets:							
Equipment	321,779	-	1,527	382,416	-	190,685	896,407
Less: Accumulated Depreciation	(231,457)	-	(1,527)	(382,416)	-	(14,202)	(629,602)
Total Fixed Assets	90,322	-	-	-	-	176,483	266,805
Total Assets	162,658	36,798	42,624	1,722,239	173,362	478,982	2,616,663
LIABILITIES							
Current Liabilities:							
Cash Deficit	32,443	25,834	-	4,127	-	654,584	716,988
Accounts Payable	-	10,964	-	7,014	-	-	17,978
Interfund Payables	-	-	-	1,192,479	-	-	1,192,479
Total Liabilities	32,443	36,798	-	1,203,620	-	654,584	1,927,445
NET POSITION							
Unrestricted	39,893	-	42,624	518,619	173,362	(352,085)	422,413
Net Investment in Capital Assets	90,322	-	-	-	-	176,483	266,805
Total Net Position	\$ 130,215	\$ -	\$ 42,624	\$ 518,619	\$ 173,362	\$ (175,602)	\$ 689,218

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	TOTALS
Operating Revenues:							
Local Sources:							
Daily Sales - Reimbursable Programs:							
School Lunch & Breakfast Programs	\$ 63,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,767
Daily Sales - Nonreimbursable Programs	82,872	82,091	-	-	-	-	164,963
Special Functions	106,104	5,810	-	-	-	-	111,914
Fees for Services	-	-	-	13,835,792	-	-	13,835,792
Other Revenue	3,346	621	-	-	1,259,753	1,310,976	2,574,696
Sale of Merchandise	-	-	7,349	-	-	-	7,349
Total Operating Revenue	256,089	88,522	7,349	13,835,792	1,259,753	1,310,976	16,758,481
Operating Expenses:							
Salaries & Wages	584,005	59,641	-	6,980,752	1,077,191	-	8,701,589
Purchased Professional Services	122,816	-	-	1,275,713	-	1,245,440	2,643,969
Purchased Services - Transportation	-	-	-	5,780,859	-	6,473	5,787,332
Rental of Land and Buildings	-	-	-	-	7,980	129,428	137,408
Repairs	18,660	-	-	-	-	-	18,660
Supplies & Materials	125,115	13,028	-	516,610	-	76,920	731,673
Depreciation	11,970	-	-	-	-	14,202	26,172
Miscellaneous Expenditures	18,143	5,190	-	8,461	143,634	14,115	189,543
Cost of Sales	326,478	48,392	2,261	-	-	-	377,131
Total Operating Expenses	1,207,187	126,251	2,261	14,562,395	1,228,805	1,486,578	18,613,477
Operating Gain/(Loss)	(951,098)	(37,729)	5,088	(726,603)	30,948	(175,602)	(1,854,996)
Nonoperating Revenues:							
State Sources:							
State School Lunch Program	4,197	-	-	-	-	-	4,197
Federal Source:							
School Breakfast Program	102,580	-	-	-	-	-	102,580
National School Lunch Program	188,281	-	-	-	-	-	188,281
Healthy Hunger-Free Kids Act	4,729	-	-	-	-	-	4,729
Food Distribution Program	26,944	-	-	-	-	-	26,944
Other Sources:							
Interest Income	91	-	18	588	-	-	697
Operating Transfer In/(Out) General Fund Board Contribution - Salaries	509,851	37,729	-	-	-	-	547,580
Total Nonoperating Revenues/Expenses	836,673	37,729	18	588	-	-	875,008
Changes in Net Position	(114,425)	-	5,106	(726,015)	30,948	(175,602)	(979,988)
Total Net Position - Beginning	244,640	-	37,518	1,244,634	142,414	-	1,669,206
Total Net Position - Ending	\$ 130,215	\$ -	\$ 42,624	\$ 518,619	\$ 173,362	\$ (175,602)	\$ 689,218

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
AS OF JUNE 30, 2015

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	VQ/CA	ALTERNATIVE EDUCATION PROGRAM	2015
Cash Flows From Operating Activities:							
Receipts from Customers	\$ 318,168	\$ 88,522	\$ 7,349	\$ 14,178,615	\$ 1,259,753	\$ 1,008,477	\$ 16,860,884
Payments to Employees	(584,005)	-	-	(5,788,103)	(1,077,191)	-	(7,449,299)
Payments to Suppliers	(611,117)	(126,224)	(3,491)	(7,621,700)	(151,614)	(1,472,376)	(9,986,522)
Net Cash Provided/(Used) by Operating Activities	(876,954)	(37,702)	3,858	768,812	30,948	(463,899)	(574,937)
Cash Flows From Noncapital Financing Activities:							
State Sources	4,342	-	-	-	-	-	4,342
Federal Sources	323,865	-	-	-	-	-	323,865
Operating Subsidies & Transfers to Other Funds	509,851	-	-	-	-	-	509,851
Net Cash Provided/(Used) by Noncapital Financing Activities	838,058	-	-	-	-	-	838,058
Cash Flows From Capital and Related Financing Activities:							
Purchase of Capital Assets	-	-	-	-	-	(190,685)	(190,685)
Net Cash Provided/(Used) by Investing Activities	-	-	-	-	-	(190,685)	(190,685)
Cash Flows From Investing Activities:							
Interest & Dividends	91	-	18	588	-	-	697
Net Cash Provided/(Used) by Investing Activities	91	-	18	588	-	-	697
Net Increase/(Decrease) in Cash & Cash Equivalents	(38,805)	(37,702)	3,876	769,400	30,948	(654,584)	73,133
Balances - Beginning of Year	6,362	11,868	35,818	(773,527)	142,414	-	(577,065)
Balances - End of Year	\$ (32,443)	\$ (25,834)	\$ 39,694	\$ (4,127)	\$ 173,362	\$ (654,584)	\$ (503,932)

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

Operating Income/(Loss)	\$ (951,098)	\$ (37,729)	\$ 5,088	\$ (726,603)	\$ 30,948	\$ (463,899)	\$ (2,143,293)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:							
Depreciation & Net Amortization (Increase)/Decrease in Other	11,970	-	-	-	-	-	11,970
Account Receivable, Net (Increase)/Decrease in Inventories	-	-	-	342,823	-	-	342,823
(Increase)/Decrease in Interfund A/R	95	(4)	(1,230)	-	-	-	(1,139)
Increase/(Decrease) in Accounts Payable	62,079	-	-	170	-	-	62,249
	-	31	-	1,152,422	-	-	1,152,453
Total Adjustments	74,144	27	(1,230)	1,495,415	-	-	1,568,356
Net Cash Provided/(Used) by Operating Activities	\$ (876,954)	\$ (37,702)	\$ 3,858	\$ 768,812	\$ 30,948	\$ (463,899)	\$ (574,937)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		2015
	DONATIONS TRUST FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 65,116	\$ 33,304	\$ 326,936	\$ 239,337	\$ 664,693
Interfund Accounts Receivable	-	-	125,000	-	125,000
Total Assets	65,116	33,304	451,936	239,337	789,693
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	233,886	233,886
Claims Payable	-	64,103	-	-	64,103
Interfund Accounts Payable:	-	-	-	-	-
General Fund	-	-	-	5,451	5,451
Due to Student Groups	-	-	451,936	-	451,936
Total Liabilities	-	64,103	451,936	239,337	755,376
NET POSITION					
Reserved for Unemployment Claims	-	(30,799)	-	-	(30,799)
Reserved for Students	65,116	-	-	-	65,116
Total Net Position	\$ 65,116	\$ (30,799)	\$ -	\$ -	\$ 34,317

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		2015
	DONATION TRUST	UNEMPLOYMENT TRUST	
OPERATING REVENUES:			
Local Sources:			
Employee Contributions	\$ -	\$ 27,172	\$ 27,172
Total Operating Revenues	-	27,172	27,172
OPERATING EXPENSES:			
Disbursements	-	64,103	64,103
Total Operating Expenses	-	64,103	64,103
Operating Income/(Loss)	-	(36,931)	(36,931)
Nonoperating Revenue (Expenses):			
Interest Income	32	4	36
Net Income/(Loss)	32	(36,927)	(36,895)
Net Position, July 1	65,084	6,128	71,212
Net Position, June 30	\$ 65,116	\$ (30,799)	\$ 34,317

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JUNE 30, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Central/District	\$ 53,894	\$ 15,195	\$ 3,800	\$ 65,289
South Campus	88,760	5,535	7,190	87,105
Vocational	351	-	300	51
High School	42,330	14,467	23,966	32,831
East Campus	69,580	10,919	10,674	69,825
Library	5,537	-	-	5,537
Lumberton Campus	9,755	11,322	10,045	11,032
Junior/Senior High School	27,179	9,010	7,446	28,743
Helping Hand	103,907	-	-	103,907
Yearbook	9,098	9,760	6,910	11,948
Interest	3,185	337	-	3,522
Unallocated - School Store	32,146	-	-	32,146
Total	\$ 445,722	\$ 76,545	\$ 70,331	\$ 451,936

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 260,586	\$ 33,685,651	\$ 33,706,900	\$ 239,337
Total Assets	<u>\$ 260,586</u>	<u>\$ 33,685,651</u>	<u>\$ 33,706,900</u>	<u>\$ 239,337</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 260,586	\$ 33,680,200	\$ 33,706,900	\$ 233,886
Interfund Accounts Payable	-	5,451	-	5,451
Total Liabilities	<u>\$ 260,586</u>	<u>\$ 33,685,651</u>	<u>\$ 33,706,900</u>	<u>\$ 239,337</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 3,771,907	\$ 3,540,684	\$ 2,505,345	\$ 1,946,535	\$ 1,918,911	\$ 2,114,430	\$ 1,994,904	\$ 1,988,661	\$ 2,173,928	\$ 2,085,530
Restricted	3,939,610	1,508,343	2,489,206	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785	1,022,704
Unrestricted	(26,151,370)	2,469,985	1,869,193	558,675	2,437,068	2,989,180	1,706,833	3,404,334	1,997,447	3,034,953
Total Governmental Activities	\$ (18,439,853)	\$ 7,519,012	\$ 6,863,744	\$ 4,587,701	\$ 6,160,850	\$ 6,494,117	\$ 5,084,348	\$ 6,762,780	\$ 5,541,160	\$ 6,143,187
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 266,805	\$ 102,292	\$ 118,018	\$ 138,670	\$ 154,966	\$ 192,402	\$ 239,426	\$ 176,599	\$ 153,018	\$ 191,208
Unrestricted	422,413	1,566,914	2,589,206	1,979,505	287,985	(905,855)	2,602,866	4,804,777	6,066,848	4,538,214
Total Business-Type Activities	\$ 689,218	\$ 1,669,206	\$ 2,707,224	\$ 2,118,175	\$ 442,951	\$ (713,453)	\$ 2,842,292	\$ 4,981,376	\$ 6,219,866	\$ 4,729,422
Government-Wide:										
Net Investment in										
Capital Assets	\$ 4,038,712	\$ 3,642,976	\$ 2,623,363	\$ 2,085,205	\$ 2,073,877	\$ 2,306,832	\$ 2,234,330	\$ 2,165,260	\$ 2,326,946	\$ 2,276,738
Restricted	3,939,610	1,508,343	2,489,206	2,082,491	1,804,871	1,390,507	1,382,611	1,369,785	1,369,785	1,022,704
Unrestricted	(25,728,957)	4,036,899	4,458,399	2,538,180	2,725,053	2,083,325	4,309,699	8,209,111	8,064,295	7,573,167
Total District Net Position	\$ (17,750,635)	\$ 9,188,218	\$ 9,570,968	\$ 6,705,876	\$ 6,603,801	\$ 5,780,664	\$ 7,926,640	\$ 11,744,156	\$ 11,761,026	\$ 10,872,609

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities:										
Instruction:										
Special Education	\$ 15,200,512	\$ 15,424,094	\$ 16,002,153	\$ 17,293,675	\$ 17,463,812	\$ 20,624,676	\$ 20,725,888	\$ 20,870,679	\$ 19,989,078	\$ 18,807,380
Other Special Instruction	111,882	109,620	121,249	109,552	128,022	113,073	86,347	93,336	86,252	101,771
Other Special Instruction	-	-	-	-	-	-	19,245	32,436	15,195	14,640
Support Services:										
Student & Instruction Related Services	4,765,408	4,790,637	4,960,201	4,860,196	4,768,340	891,235	766,603	761,648	825,173	789,265
School Administrative Services	539,302	683,097	641,997	652,508	644,362	968,279	684,626	871,142	758,816	636,670
General & Business Administrative Services	2,813,961	2,718,655	2,650,522	2,488,553	2,125,766	2,008,678	2,232,537	2,278,354	2,183,376	2,013,979
Plant Operations & Maintenance	2,957,405	3,584,535	3,301,464	3,002,177	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205
Pupil Transportation	545,275	338,084	304,342	150,239	-	-	1,163,065	887,618	765,317	635,865
Unallocated Benefits	17,093,711	12,690,642	15,634,534	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345
Unallocated Compensated Absences	(57,160)	(76,306)	(24,604)	47,167	43,381	(827,143)	125,502	44,222	96,193	36,754
Unallocated Contributed Capital	-	-	(486,311)	(67,328)	-	(39,928)	17,548	-	-	-
Unallocated Depreciation	235,561	206,906	206,906	215,000	205,000	209,070	246,312	167,719	100,124	169,499
Adjustment to Fixed Assets	-	-	-	(172,641)	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-	-	43,381	250,000	1,458,016
Special Schools	-	-	-	-	-	12,096	16,344	17,294	17,311	62,801
Total Governmental Activities Expense	44,205,857	40,469,964	43,312,453	43,921,217	44,133,832	40,470,322	42,241,793	41,634,597	40,553,630	38,811,190
Business-Type Activities:										
Food Service	1,333,438	891,283	1,303,635	1,113,093	1,169,276	1,423,397	1,560,527	1,490,230	1,497,491	1,445,534
School Store	2,261	70,890	87,318	3,091	1,374	2,691	3,357	6,140	5,051	2,210
Educational Services	14,562,395	14,044,658	14,602,528	14,253,859	15,661,303	18,078,793	18,633,356	16,829,518	12,863,952	12,078,868
VQ/CA	1,228,805	1,358,967	1,360,354	-	-	-	-	-	-	-
Alternative Education Program	1,486,578	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	18,613,477	16,365,798	17,353,835	15,370,043	16,831,953	19,504,881	20,197,240	18,325,888	14,366,494	13,526,612
Total District Expenses	\$ 62,819,334	\$ 56,835,762	\$ 60,666,288	\$ 59,291,260	\$ 60,965,785	\$ 59,975,203	\$ 62,439,033	\$ 59,960,485	\$ 54,920,124	\$ 52,337,802
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 8,483,196	\$ 2,064,871	\$ 2,899,835	\$ 3,383,122	\$ 2,860,416	\$ 2,786,420	\$ 2,669,233	\$ 3,135,815	\$ 2,924,511	\$ 1,706,135
Total Governmental Activities Program Revenues	8,483,196	2,064,871	2,899,835	3,383,122	2,860,416	2,786,420	2,669,233	3,135,815	2,924,511	1,706,135

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-Type Activities:										
Charges for Services:										
Food Service	344,611	253,398	354,212	387,921	396,391	423,346	519,998	500,786	425,968	451,592
School Store	7,349	10,714	9,091	16,410	16,735	17,835	18,066	23,160	14,920	9,371
Educational Services	13,835,792	12,935,366	15,190,132	14,421,452	14,267,549	14,354,634	16,222,780	15,242,618	14,135,389	13,168,775
VQ/CA	1,259,753	1,391,735	1,470,000	-	-	-	-	-	-	-
Adult Education Program	1,310,976	314,987	413,382	422,466	397,081	450,987	418,543	446,065	434,534	427,097
Operating Grants & Contributions	326,731	-	-	-	-	-	-	-	-	-
Total Business Type Activities	17,085,212	14,906,200	17,436,817	15,248,249	15,077,756	15,246,802	17,179,387	16,212,629	15,010,811	14,056,835
Program Revenues										
Total District Program Revenues	\$ 25,568,408	\$ 16,971,071	\$ 20,336,652	\$ 18,631,371	\$ 17,938,172	\$ 18,033,222	\$ 19,848,670	\$ 19,348,444	\$ 17,935,322	\$ 15,762,970
Net (Expense)/Revenue:										
Governmental Activities	\$ (35,722,661)	\$ (38,405,093)	\$ (40,412,618)	\$ (40,538,095)	\$ (41,273,416)	\$ (37,683,902)	\$ (39,572,560)	\$ (38,498,782)	\$ (37,629,119)	\$ (37,105,055)
Business-Type Activities	(1,528,265)	(1,459,598)	82,982	(121,794)	(1,754,197)	(4,258,079)	(3,017,853)	(2,113,259)	644,317	530,223
Total Government-Wide Net Expense	\$ (37,250,926)	\$ (39,864,691)	\$ (40,329,636)	\$ (40,659,889)	\$ (43,027,613)	\$ (41,941,981)	\$ (42,590,413)	\$ (40,612,041)	\$ (36,984,802)	\$ (36,574,832)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriation	\$ 5,200,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000
Federal & State Aid Not Restricted	631,610	2,035,384	1,514,792	44,493	44,493	199,655	256,188	124,165	2,652,011	4,991,905
Tuition Received	25,454,600	25,866,996	28,637,896	26,940,825	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928	24,086,887
Tuition Charges	7,469,275	6,978,742	7,496,846	8,489,849	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711
Non Resident Fees	344,680	58,310	351,819	311,263	311,263	315,289	404,024	173,771	201,039	156,099
Miscellaneous Income	192,540	255,597	390,243	175,540	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955
Capital Reserve	-	-	-	-	-	-	-	-	43,381	250,000
Transfers	(547,580)	(934,668)	(502,935)	(1,797,024)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)
Transfer from County	227,627	-	-	-	-	-	-	-	-	-
Contributed Capital	-	-	-	-	-	-	-	252,555	-	188,522
Total Governmental Activities	38,972,752	39,060,361	42,688,661	38,964,946	38,964,946	40,940,149	39,093,671	37,894,128	38,093,732	38,653,762
Business-Type Activities:										
Investment Earnings	697	890	2,706	361	14,271	7,078	91,390	174,460	212,810	119,400
Contributed Capital	-	-	427	(367)	-	-	90,621	38,122	-	-
Transfers	547,580	420,690	502,935	1,797,024	2,896,330	695,256	696,758	662,187	633,317	604,487
Total Business-Type Activities	548,277	421,580	506,068	1,797,018	2,910,601	702,334	878,769	874,769	846,127	723,887
Total Government-Wide	\$ 39,521,029	\$ 39,481,941	\$ 43,194,729	\$ 40,761,964	\$ 41,875,547	\$ 41,642,483	\$ 39,972,440	\$ 38,768,897	\$ 38,939,859	\$ 39,377,649
Change in Position:										
Governmental Activities	\$ 3,250,091	\$ 655,268	\$ 2,276,043	\$ (1,573,149)	\$ (2,308,470)	\$ 3,256,247	\$ (478,889)	\$ (604,654)	\$ 464,613	\$ 1,548,707
Business-Type Activities	(979,988)	(1,038,018)	589,050	1,675,224	1,156,404	(3,555,745)	(2,139,084)	(1,238,490)	1,490,444	1,254,110
Total District	\$ 2,270,103	\$ (382,750)	\$ 2,865,093	\$ 102,075	\$ (1,152,066)	\$ (299,498)	\$ (2,617,973)	\$ (1,843,144)	\$ 1,955,057	\$ 2,802,817

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Restricted	\$ 1,509,852	\$ 1,508,343	\$ 1,506,836	\$ 1,501,971	\$ 1,501,270	\$ 1,390,507	\$ 1,382,611	\$ 1,369,785	\$ 2,996,455	\$ 2,070,300
Assigned	2,429,758	-	982,370	580,520	303,601	-	-	-	-	-
Unassigned	4,276,178	4,051,354	3,366,288	1,800,969	3,632,195	4,140,926	3,685,722	5,257,721	3,806,612	3,700,329
Total General Fund	<u>\$ 8,215,788</u>	<u>\$ 5,559,697</u>	<u>\$ 5,855,494</u>	<u>\$ 3,883,460</u>	<u>\$ 5,437,066</u>	<u>\$ 5,531,433</u>	<u>\$ 5,068,333</u>	<u>\$ 6,627,506</u>	<u>\$ 6,803,067</u>	<u>\$ 5,770,629</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
County Appropriation	\$ 5,200,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,800,000	\$ 4,100,000
Tuition Charges	25,454,600	25,866,996	28,637,896	26,940,825	29,425,820	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522
Other Tuition	7,469,275	6,978,742	7,496,846	8,489,849	8,135,944	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948
Nonresident Fees	344,680	58,310	351,819	311,263	315,289	404,024	173,771	201,039	156,099	165,415
Miscellaneous	192,540	255,597	390,243	175,540	259,771	451,334	2,653,246	2,238,918	1,850,955	1,619,144
State Sources	3,794,646	3,954,584	4,214,711	3,385,530	2,860,416	2,786,420	2,659,992	5,541,630	7,551,688	5,437,733
Federal Sources	631,610	145,671	199,916	42,085	199,655	256,188	133,406	246,196	364,728	69,675
Total Revenues	43,087,351	42,059,900	46,091,431	44,145,092	45,996,895	42,575,347	41,007,564	41,848,353	41,773,068	39,542,437
Expenditures:										
Current:										
Special Education Instruction	15,200,512	15,424,094	16,002,153	17,293,675	17,463,812	20,624,676	20,725,888	20,870,679	19,989,078	18,807,380
Other Special Instruction	111,882	109,620	121,249	109,532	128,022	113,073	86,347	93,336	86,252	101,771
Other Instructional Programs	-	-	-	-	-	-	19,245	32,436	15,195	14,640
Support Services & Undistributed Costs:										
Student & Instruction Related										
Services	4,765,408	4,790,637	4,960,201	4,860,196	4,768,340	891,235	766,603	761,648	825,173	789,265
School Administrative Services	539,302	683,097	641,997	652,508	644,362	968,279	684,626	871,142	758,816	636,670
Other Administrative Services	2,513,961	2,418,655	2,350,522	2,188,553	2,125,766	2,297,346	2,232,537	2,278,354	2,183,376	2,013,979
Plant Operations & Maintenance	2,957,405	3,584,535	3,301,464	3,004,832	2,790,981	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205
Pupil Transportation	545,275	338,084	304,342	150,239	-	-	1,163,065	887,618	765,317	635,865
Unallocated Benefits	12,033,630	12,690,642	15,634,534	15,342,139	15,964,168	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345
Special Schools	-	-	-	-	-	12,096	16,344	17,294	17,311	62,801
Capital Outlay	1,424,156	1,164,278	300,000	300,000	-	-	-	43,381	250,000	1,458,016
Total Expenditures	40,091,531	41,203,642	43,616,462	43,901,674	43,885,451	41,416,991	41,869,979	41,405,108	40,357,313	38,604,937
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,995,820	856,258	2,474,969	243,418	2,101,963	1,158,356	(862,415)	443,245	1,415,755	937,500
Other Financing Sources/(Uses):										
Increase in Capital Reserve	-	-	-	-	-	-	-	43,381	250,000	500,000
Transfers Out	(319,953)	(934,668)	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)
Total Other Financing Sources/(Uses)	(319,953)	(934,668)	(502,935)	(1,797,024)	(2,196,330)	(695,256)	(696,758)	(618,806)	(383,317)	(104,487)
Net Change in Fund Balances	\$ 2,675,867	\$ (78,410)	\$ 1,972,034	\$ (1,553,606)	\$ (94,367)	\$ 463,100	\$ (1,559,173)	\$ (175,561)	\$ 1,032,438	\$ 833,013
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	TUITION	OTHER LOCAL REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL
2015	\$ 32,923,875	\$ 5,737,220	\$ 3,794,646	\$ 631,610	\$ 43,087,351
2014	32,845,738	5,113,907	3,440,606	145,671	41,545,922
2013	36,134,742	5,542,062	4,214,711	199,916	46,091,431
2012	35,430,674	5,286,782	3,385,530	42,085	44,145,071
2011	37,561,764	5,375,060	2,860,416	181,932	45,979,172
2010	33,877,381	5,655,358	2,786,420	256,188	42,575,347
2009	30,587,149	7,617,776	2,659,992	133,406	40,998,323
2008	28,820,570	7,224,613	5,538,902	219,036	41,803,121
2007	27,049,598	6,792,489	7,549,738	339,033	41,730,858
2006	28,150,470	5,864,187	5,433,733	45,171	39,493,561

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

Source: District Records.

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,

N/A

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

N/A

PRINCIPAL PROPERTY TAX PAYERS,

N/A

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

EXHIBIT J-9

N/A

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

EXHIBIT J-10

N/A

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

EXHIBIT J-11

N/A

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

EXHIBIT J-12

N/A

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

EXHIBIT J-13

N/A

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

YEAR	COUNTY POPULATION (a)	COUNTY PER CAPITA PERSONAL INCOME (c)	COUNTY UNEMPLOYMENT RATE (d)
2014	449,722	N/A	6.3%
2013	450,141	51,638	7.9%
2012	451,207	51,149	9.2%
2011	450,531	49,471	8.8%
2010	449,174	47,586	9.0%
2009	446,108	47,384	8.5%
2008	445,492	47,758	5.0%
2007	446,314	46,295	3.8%
2006	447,131	44,519	4.1%
2005	446,462	42,004	3.7%

Source: New Jersey Department of Education

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

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

**PRINCIPAL EMPLOYERS
CURRENT YEAR**

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

Source: Burlington County

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Special Education	378	378	378	378	376	395	411	434	433	432
Support Services:										
Student & Instruction Related Services	63	63	63	64	62	63	63	62	56	59
School Administrative Services	14	14	14	14	14	16	15	17	16	14
General & Business Administrative Services	11	11	11	11	11	11	3	3	3	3
Plant Operations & Maintenance	24	24	24	24	23	23	21	23	24	24
Pupil Transportation	3	3	3	3	-	-	7	7	1	1
Business & Other Support Services	3	3	3	3	3	3	10	10	10	10
Food Service	10	10	10	12	12	19	22	21	21	19
Total	506	506	506	509	501	530	552	577	564	562

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	690	38,667,375	56,040	0.26%	127	6.2/1	686.1	595.6	-11.46%	-13.34%
2014	710	40,039,364	56,393	0.90%	127	6.2/1	846.1	756.3	9.19%	10.04%
2013	775	43,316,462	55,892	1.65%	127	6.2/1	774.9	687.3	-0.06%	-0.55%
2012	793	43,601,674	54,983	3.09%	127	6.2/1	775.4	691.1	-6.21%	-6.19%
2011	823	43,894,932	53,335	12.55%	132	6.3/1	826.7	736.7	-5.39%	-5.09%
2010	874	41,416,991	47,388	8.20%	137	6.2/1	873.8	776.2	-6.71%	-6.12%
2009	956	41,869,979	43,797	11.29%	138	6.9/1	936.6	826.8	-8.72%	-10.23%
2008	1,051	41,361,727	39,355	7.45%	156	6.7/1	1,026.1	921.0	-5.65%	-5.11%
2007	1,095	40,107,313	36,628	12.01%	163	6.7/1	1,087.6	970.6	-3.26%	-2.28%
2006	1,136	37,146,921	32,700	10.89%	162	7/1	1,124.3	993.2	-3.47%	-2.75%

Sources: District records

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Westampton Campus:										
Square Feet	207,433	207,433	207,433	207,433	207,433	207,433	207,433	207,433	207,433	207,433
Capacity (Students)	755	755	755	755	755	755	755	755	755	755
Enrollment	398	424	417	519	521	563	629	691	729	720
Lumberton Campus:										
Square Feet	66,438	66,438	66,438	66,438	66,438	66,438	66,438	66,438	66,438	66,438
Capacity (Students)	165	165	165	165	165	165	165	165	165	165
Enrollment	178	177	252	140	169	172	102	100	118	121
Junior/Senior:										
Square Feet	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Capacity (Students)	167	167	167	167	167	167	167	167	167	167
Enrollment	114	109	106	134	140	139	126	125	117	123

Number of Schools at June 30, 2015:
Other = 3

Source: District Facilities Office

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

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

	JR/SR HIGH SCHOOL	WESTAMPTON CAMPUS	LUMBERTON CAMPUS	TOTAL
2015	\$ 22,305	\$ 538,998	\$ 262,394	\$ 823,697
2014	29,272	480,541	281,302	791,115
2013	60,549	593,683	313,493	967,725
2012	35,682	572,956	232,006	840,644
2011	77,009	435,728	204,646	717,383
2010	83,532	454,475	207,552	745,559
2009	94,681	480,791	152,847	728,319
2008	82,641	471,046	272,711	826,398
2007	83,475	475,809	275,468	834,752
2006	71,723	408,821	236,684	717,228
	<hr/>			
Total School Facilities	\$ 640,869	\$ 4,912,848	\$ 2,439,103	\$ 7,992,820
	<hr/>			

Source: District records

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
Commercial General Liability:		
General Aggregate Limit	None	
Products/Completed Operations Aggregate Limit	16,000,000	
Personal/Advertising Injury Limit	16,000,000	
Employers Liability & Worker's Compensation Each Occurrence	16,000,000	1,000
Commercial Property Coverage:		
Blanket Coverage, Building & Contents	76,295,466	5,000
Equipment Floater:		
Musical Instruments	Included	
Computer Floater	1,005,000	1,000
Commercial Automobile:		
Bodily Injury & Property Damage	16,000,000	
Medical Payments: Private Passenger	10,000	
Medical Payments: All Other Vehicles	5,000	
Uninsured Motorist: Private Passenger	1,000,000	
Uninsured Motorist: All Other Vehicles	15/30/5	
Underinsured Motorist: Private Passenger	1,000,000	
Underinsured Motorist: All Other Vehicles	15/30/5	
Commercial Crime		
Excess Umbrella:		
Excess Commercial General Liability Occurrence	2,000,000	
Excess Commercial General Liability Aggregate	2,000,000	
Excess School Leaders Errors & Omissions Occurrence	16,000,000	
Excess School Leaders Errors & Omissions Aggregate	16,000,000	
Student Accident:		
Aggregate Limit of Indemnity	1,000,000	
Catastrophic Cash Benefit	1,000,000	
Public Official Bonds:		
Employee Theft	50,000	
Board Secretary	100,000	
Treasurer	350,000	
Workers Compensation:		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease - Policy Limit	2,000,000	
Bodily Injury by Disease - Each Employee	2,000,000	
Employer's Liability	2,000,000	
Public Officials Bonded:		
Business Administrator/Board Secretary	100,000	
Treasurer of School Monies	350,000	
Interim Business Administrator/Board Secretary	100,000	

Source: School District Records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Special Services School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Burlington County Special Services School District’s basic financial statements, and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
December 16, 2015



HOLMAN | FRENIA
ALLISON, P.C.
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EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

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

Report on Compliance for Each Major Federal and State Program

We have audited Burlington County Special Services School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. Burlington County Special Services School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Burlington County Special Services School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal

or state program occurred. An audit includes examining, on a test basis, evidence about Burlington County Special Services School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Burlington County Special Services School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Burlington County Special Services School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Burlington County Special Services School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Burlington County Special Services School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Burlington County Special Services School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
December 16, 2015

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
Enterprise Funds:								
School Breakfast Program	10.553		102,580	7/1/14-6/30/15	\$ -	\$ 94,744	\$ (102,580)	\$ (7,836)
School Breakfast Program	10.553		96,909	7/1/13-6/30/14	(7,886)	7,886	-	-
National School Lunch Program	10.555		188,281	7/1/14-6/30/15	-	174,931	(188,281)	(13,350)
National School Lunch Program	10.555		185,150	7/1/13-6/30/14	(14,585)	14,585	-	-
Healthy Hunger-Free Kids Act	10.551		4,729	7/1/14-6/30/15	-	4,394	(4,729)	(335)
Healthy Hunger-Free Kids Act	10.551		4,921	7/1/13-6/30/14	(381)	381	-	-
Food Distribution Program	10.550		26,944	7/1/14-6/30/15	-	26,944	(26,944)	-
Total U.S. Department of Agriculture					(22,852)	323,865	(322,534)	(21,521)

U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015
General Fund:								
Medical Assistance Program	93.778	N/A	498,594	7/1/14-6/30/15	-	498,594	(498,594)	-
Medical Assistance Program - ARRA	93.778	N/A	133,016	7/1/14-6/30/15	-	133,016	(133,016)	-
Total U.S. Department of Labor					-	631,610	(631,610)	-
Total Federal Financial Assistance					(22,852)	955,475	(954,144)	(21,521)

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education:								
General Fund:								
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	\$ 1,166,890	7/1/14-6/30/15	\$ -	\$ 1,108,599	\$ (1,166,890)	\$ (58,291)	\$ 1,166,890
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	\$ 1,225,815	7/1/13-6/30/14	(57,950)	57,950	-	-	-
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	1,612,199	7/1/14-6/30/15	-	1,612,199	(1,612,199)	-	1,612,199
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	1,015,557	7/1/14-6/30/15	-	1,015,557	(1,015,557)	-	1,015,557
Enterprise Funds:								
Food Service Fund:								
National School Lunch Program (State Share)	100-010-3350-023	4,084	7/1/14-6/30/15	-	3,794	(4,197)	(403)	4,197
National School Lunch Program (State Share)	100-010-3350-023	4,424	7/1/13-6/30/14	(548)	548	-	-	-
<hr/>								
Total State Department of Education				(58,498)	3,798,647	(3,798,843)	(58,694)	3,798,843
<hr/>								
Total State Financial Assistance				\$ (58,498)	\$ 3,798,647	\$ (3,798,843)	\$ (58,694)	\$ 3,798,843
<hr/>								
Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08:								
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	1,612,199	7/1/14-6/30/15			1,612,199		
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	1,015,557	7/1/14-6/30/15			1,015,557		
<hr/>								
Total State Financial Assistance subject to New Jersey OMB Circular 04-04 and/or 15-08						\$ (1,171,087)		

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 1. General

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

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$ -0- for the general fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	State	Federal	Total
General Fund	\$ 3,794,646	\$ 631,610	\$ 4,426,256
Proprietary Funds	4,197	322,534	326,731
Total Financial Assistance	<u>\$ 3,798,843</u>	<u>\$ 954,144</u>	<u>\$ 4,752,987</u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 4. Relationship to State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

Note 6. State Loans Outstanding

The Burlington County Special Services School District had no loan balances outstanding at June 30, 2015.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.778	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2015**

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With New Jersey OMB Circular 04-04 and/or 15-08	No

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5094-003	Reimbursed TPAF Social Security Contributions

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 audit.

Finding 2015-001:

Criteria or Specific Requirement:

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

Condition:

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

Context:

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

Effect:

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

Cause:

Lack of oversight by District officials.

Recommendation:

That the District maintain a proper general ledger for all funds in accordance with GAAP.

View of Responsible Officials and Planned Corrective Action:

Prior to the audit, the District identified this weakness in the system and addressed the matter. Subsequently, key personnel retired and/or went out on leave, requiring the District to hire and train new personnel as well as temporary personnel. The District is in the process of completing this task and continuing ongoing training.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

No Current Year Findings & Questioned Costs

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

No Prior Year Findings

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