

**BURLINGTON COUNTY SPECIAL SERVICES  
SCHOOL DISTRICT**

Mt. Holly, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**MT. HOLLY, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Prepared by**

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



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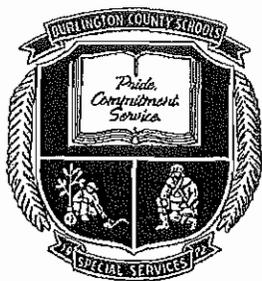
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**INTRODUCTORY SECTION**





# Burlington County Special Services School District

Dr. Donald P. Lucas  
Superintendent

20 Pioneer Boulevard  
Mount Holly, NJ 08060  
609-261-5600

Theresa L. Margiotta  
Business Administrator /  
Board Secretary

October 22, 2010

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, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and result of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to special education students. The District completed the 2009-10 fiscal year with an enrollment of 874, which is 82 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eighteen years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2009-10	873.8	- 6.71%
2008-09	936.6	- 8.72%
2007-08	1,026.1	-5.65%
2006-07	1,087.6	-3.26%
2005-06	1,124.3	-3.47%
2004-05	1,164.7	-4.71%
2003-04	1,222.3	-.56%
2002-03	1,229.2	-2.30%
2001-02	1,258.1	-.04%
2000-01	1,269.0	-.15%
1999-00	1,270.9	2.42%
1998-99	1,240.9	2.72%
1997-98	1,208.0	5.01%
1996-97	1,150.4	-1.47%
1995-96	1,167.6	2.66%
1994-95	1,137.3	2.80%
1993-94	1,106.3	2.55%
1992-93	1,078.8	5.75%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Burlington County area is experiencing a period of development and expansion, which is expected to continue. The increasing numbers of businesses relocating to the area result in an increase in the employment level which results in an increased tax base, both residential and industrial and an increase in annual daily enrollment. The expansion is expected to continue which suggests that the Burlington County area will continue to prosper.

**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, 2010.

**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 special revenue fund for the fiscal year ended June 30, 2010, and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>
Local Sources	\$39,532,739	92.85%	\$1,318,573
State Sources	2,786,420	6.55%	126,428
Federal Sources	256,188	.60%	122,782
<b>Total</b>	<b>\$42,575,347</b>	<b>100.00%</b>	<b>\$1,567,783</b>

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2010, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>
Current Expense:			
Instruction	\$20,624,676	49.80%	\$ (101,212)
Other Special Instruction	113,073	.27%	26,726
Other Instructional Program			(19,245)
Support Services & Undistributed Expenditures	20,667,146	49.90%	(355,009)
Special Schools	12,096	.03%	(4,248)
<b>Total</b>	<b>\$41,416,991</b>	<b>100.00%</b>	<b>\$ (452,988)</b>

**7) DEBT ADMINISTRATION:** None

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

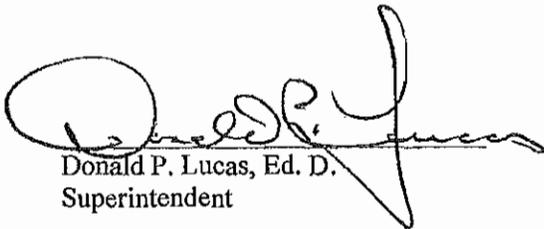
enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

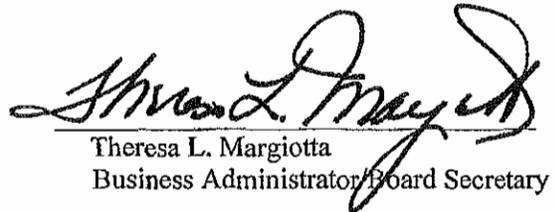
**10) OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board to perform this service. In addition to meeting the requirements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

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

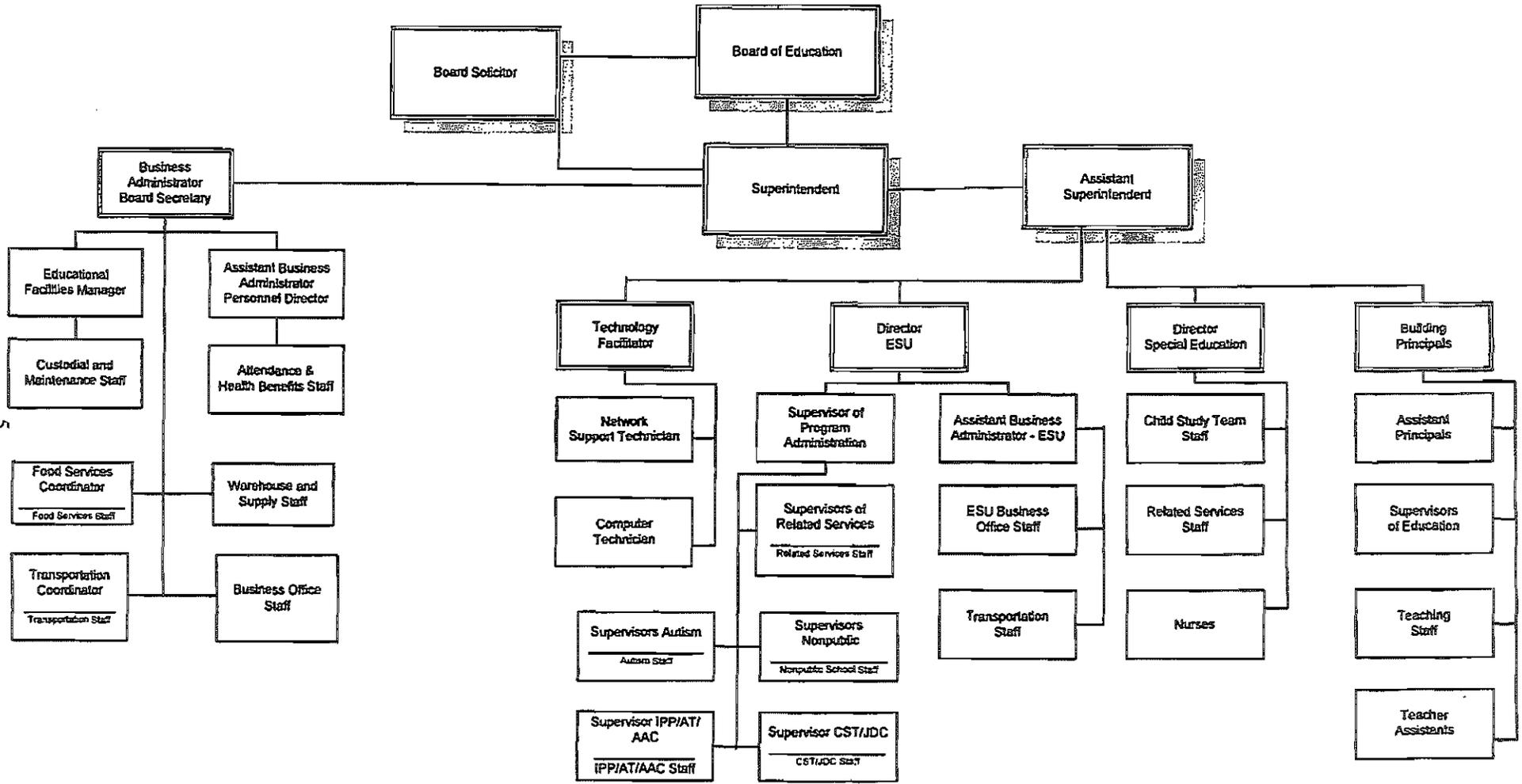
Respectfully submitted,



Donald P. Lucas, Ed. D.  
Superintendent



Theresa L. Margiotta  
Business Administrator/Board Secretary



Burlington County Special Services School District  
Organizational Chart  
October 22, 2008



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2010**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Paula D. Lee, President	2011
Robert C. Silcox, Vice President	2010
Christopher L. Baxter	2011
Kathleen Burgess	2012
Ann Marie Emmons	2012
Walter Keiss	2010
Dr. Lester Richens	Ex. Officio

**OTHER OFFICIALS**

Donald P. Lucas - Superintendent

Theresa L. Margiotta – Board Secretary/School Business Administrator

James W. Wintrobe - Assistant Business Administrator

Ken Hill - Assistant Business Administrator

Robert L. Sapp - Treasurer

Parker McCay – Solicitor

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ARCHITECT**

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

**SOLICITOR**

Parker McCay  
Three Greentree Center  
Route 73 & Greentree Road  
Marlton, New Jersey 08053

**OFFICIAL DEPOSITORY**

Beneficial Bank  
Sunset Road  
Burlington, New Jersey 08650

**FINANCIAL SECTION**





Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010, on our consideration of the Burlington County Special Services School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis information and budgetary comparison information as listed in the table of contents is not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management

regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Special Services Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

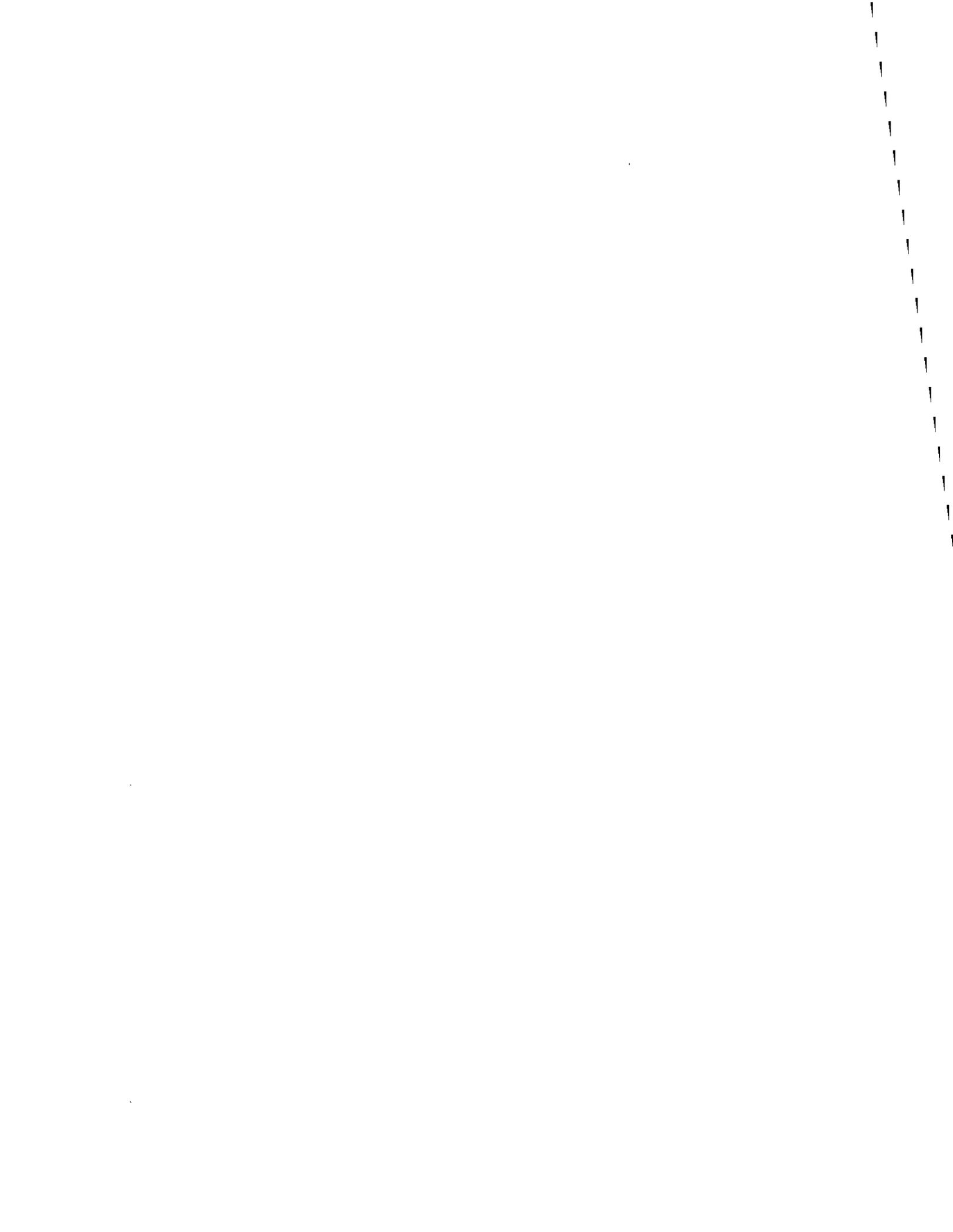


Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant  
No. 1011

Medford, New Jersey  
October 22, 2010

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis



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

**For the Fiscal Year Ended June 30, 2010**

**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, 2010.

**Financial Highlights**

The District's net assets decreased based on current year's transactions by \$2,145,976. Charges for services accounted for \$14,795,815 or 25.58%, operating grants and contributions amount to \$3,237,407 or 5.60% and general revenues were \$39,796,005 or 68.82%.

The general fund reported a positive fund balance of \$5,531,433.

**Using this Comprehensive Annual Financial Report**

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

**Reporting the District as a Whole**

*The Statement of Net Assets and Statement of Activities*

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

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

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

*Fund Financial Statements*

Our analysis of the District's major funds begins on Page 16. The fund financial statements begin on Page 19 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the

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

### ***Governmental Funds***

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

### ***Proprietary Funds***

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

### ***Fiduciary Funds***

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

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,780,664 at the close of the most recent fiscal year.

The largest portion of the District's net assets \$2,306,832 reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of fiscal year 2010:

ASSETS	NET ASSETS			
	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	(MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$3,955,199	203,731	4,158,930	2,594,534
Security				
Deposit		10,245	10,245	10,245
Other Receivables	218,361	152,740	371,101	692,030
Intergovernmental Accounts Receivables:				
Other	1,950,503	2,589,197	4,539,700	3,769,927
State	75,118	1,424	76,542	75,452
Federal		28,616	28,616	23,289
Inventory		19,146	19,146	31,902
Restricted Assets:				
Capital Reserve Account - Cash	1,390,507		1,382,611	1,382,611
Capital Assets, Net (Note 6):	2,114,430	192,402	2,306,832	2,234,330
<b>Total Assets</b>	<b>9,704,118</b>	<b>3,197,501</b>	<b>12,901,619</b>	<b>10,814,320</b>
<b>LIABILITIES</b>				
Cash Deficit		3,902,341	3,902,341	
Accounts Payable	1,258,534	461	1,258,995	113,547
Loan Payable	486,175		486,175	
Other Payables		8,152	8,152	683,047
Deferred Revenue	313,546		313,546	112,197
Noncurrent Liabilities:				
Due Beyond One Year	1,151,746		1,151,746	1,978,889
<b>Total Liabilities</b>	<b>3,210,001</b>	<b>3,910,954</b>	<b>7,120,955</b>	<b>2,887,680</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	2,114,430	192,402	2,306,832	2,234,330
Restricted for:				
Other				
Purposes	1,390,507		1,390,507	1,382,611
Unrestricted	2,989,180	(905,855)	2,083,325	4,309,699
<b>Total Net Assets</b>	<b>\$6,494,117</b>	<b>(713,453)</b>	<b>5,780,664</b>	<b>7,926,640</b>

An additional portion of the District's net assets \$1,390,507 represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

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

Changes in Net Assets

	Governmental Activities 2010	Business Type Activities 2010	Total 2010	Total 2009
<b>Revenues:</b>				
County Appropriations	\$ 4,800,000		\$ 4,800,000	\$ 4,800,000
Tuition Charges	33,877,381		33,877,381	30,587,149
Non-Resident Fee	404,024		404,024	173,771
Miscellaneous	451,334	86,907	538,241	3,254,669
State Sources	2,786,420		2,786,420	2,659,992
Federal Sources	256,188		256,188	133,406
Daily Sales		389,966	389,966	477,886
Special Functions		24,282	24,282	42,112
Fees for Services		14,276,825	14,276,825	15,621,357
Sale of Merchandise		17,835	17,835	18,066
<b>Total Revenues</b>	<u>42,575,347</u>	<u>14,795,815</u>	<u>57,371,162</u>	<u>57,768,408</u>
<b>Expenditures:</b>				
Special Education Instruction	20,624,676		20,624,676	20,725,888
Other Special Instruction	113,073		113,073	86,347
Other Instructional Programs				19,245
Undistributed Costs	19,720,477	19,504,881	39,225,358	41,591,209
Special Schools	12,096		12,096	16,344
<b>Total Expenditures</b>	<u>40,470,322</u>	<u>19,504,881</u>	<u>59,975,203</u>	<u>62,439,033</u>
<b>Operating Gain/(Loss)</b>	<u>2,105,025</u>	<u>(4,709,066)</u>	<u>(2,604,041)</u>	<u>(4,670,625)</u>
<b>Nonoperating Revenues:</b>				
State Sources		16,552	16,552	16,305
Federal Sources		365,353	365,353	333,053
Interest Income		7,078	7,078	91,390
Other Sources		69,082	69,082	69,185
Contributed Capital				252,555
General Fund Board Contribution		695,256	695,256	787,379
<b>Total Nonoperating Revenues/ Expenses</b>		<u>1,153,321</u>	<u>1,153,321</u>	<u>1,549,867</u>
<b>Other Financing Sources/(Uses)</b>				
Contribution to Food Service	(695,256)		(696,256)	(696,758)
<b>Total Other Financing Sources &amp; Uses</b>	<u>(695,256)</u>		<u>(696,256)</u>	<u>(696,758)</u>
<b>Change in Net Assets</b>	1,409,769	(3,555,745)	(2,146,976)	(3,817,516)
<b>Net Assets July 1</b>	<u>5,084,348</u>	<u>2,842,292</u>	<u>7,926,640</u>	<u>11,744,156</u>
<b>Net Assets June 30</b>	<u>\$ 6,494,117</u>	<u>\$ (713,453)</u>	<u>\$ 5,780,664</u>	<u>\$ 7,926,640</u>

***Governmental Activities***

Net assets of the District's governmental activities increased by \$1,409,769. The increase was a result of an increase in current year activities. Unrestricted net assets reflect a balance of \$2,989,180. The increase in net assets is a result of current year activities.

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

Program Expenses:

Instruction:	
Special Education	\$20,624,676
Other Special Instruction	113,073
Support Services:	
Student & Related Expenses	891,235
School Administrative Services	968,279
General & Business Services	2,008,678
Plant Operations & Maintenance	2,897,523
Unallocated Benefits	10,826,343
Unallocated Compensated Absences	(827,143)
Special Schools	12,096
Contributed Capital Adjustments	(39,928)
Unallocated Depreciation	<u>209,070</u>
 Total Expenses	 <u>\$37,683,902</u>

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on Page 19) reported a combined fund balance of \$5,531,433, which is above last year's total of \$5,068,333. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2010 and 2009.

	Fund Balance June 30, 2010	Fund Balance June 30, 2009	Increase (Decrease)
General Fund	<u>\$5,531,433</u>	<u>\$5,068,333</u>	<u>\$463,100</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.

	2010 Amount	2009 Amount	Percentage Change
Revenues:			
County Appropriation	\$ 4,800,000	\$ 4,800,000	0.00%
Tuition Charges	33,877,381	30,587,149	10.76%
Non-Resident Fee	404,024	173,771	132.50%
Miscellaneous	451,334	2,653,246	(82.99)%
State Sources	2,786,420	2,659,992	4.75%
Federal Sources	<u>256,188</u>	<u>133,406</u>	<u>92.04%</u>
 Total	 <u>\$42,575,347</u>	 <u>\$41,007,564</u>	 <u>3.82%</u>

The total property tax revenue remained flat. Interest earnings were down. State revenue is up \$126,428 and federal revenue is up \$122,782 for the fiscal year.

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

	2010	2009	Percentage Change
Expenditures:			
Current:			
Special Education Instruction	\$20,624,676	\$20,725,888	(.49)%
Other Special Instruction	113,073	86,347	30.95%
Other Instructional Programs		19,245	(100)%
Support Services & Undistributed Costs:			
Undistributed Expenditures	20,667,146	21,022,155	(1.69)%
Special Schools	<u>12,096</u>	<u>16,344</u>	<u>(25.99)%</u>
Total Expenditures	<u>\$41,416,991</u>	<u>\$41,869,979</u>	<u>(1.08)%</u>

Expenditures are down \$452,988 or 1.08% over the prior year due to undistributed expense decreases. Revenues exceeded expenditures during the fiscal year resulting in a increase to fund balance.

### General Fund Budget Information

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

### Capital Assets

The District has \$2,114,430 invested in capital assets net of depreciation. The majority of the acquisitions were for transportation vehicles throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 7).

### Debt

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

### Factors Expected to Have an Effect on Future Operations

Over the past few years the District has experienced an enrollment pattern which has remained constant. In fact, the pattern has been that some local School Districts are providing more programs for some of the students we serve. If this pattern continues adjustments will have to be made to the financial models upon which assumptions have been made. Also, an economic slowdown could result in revenue forecasts having to be revised downward. Either of these scenarios could cause the District to scale down the educational program offerings or seek additional resources.

## **BASIC FINANCIAL STATEMENTS**

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## A. District-Wide Financial Statements



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$3,955,199	203,731	4,158,930	2,594,534
Security Deposit		10,245	10,245	10,245
Other Receivables	218,361	152,740	371,101	692,030
Intergovernmental Accounts Receivables:				
Other	1,950,503	2,589,197	4,539,700	3,769,927
State	75,118	1,424	76,542	75,452
Federal		28,616	28,616	23,289
Inventory		19,146	19,146	31,902
Restricted Assets:				
Capital Reserve Account - Cash	1,390,507		1,390,507	1,382,611
Capital Assets, Net (Note 7):	2,114,430	192,402	2,306,832	2,234,330
<b>Total Assets</b>	<b>9,704,118</b>	<b>3,197,501</b>	<b>12,901,619</b>	<b>10,814,320</b>
<b>LIABILITIES</b>				
Cash Deficit		3,902,341	3,902,341	
Accounts Payable	1,258,534	461	1,258,995	113,547
Loan Payable	486,175		486,175	
Other Payables		8,152	8,152	683,047
Deferred Revenue	313,546		313,546	112,197
Noncurrent Liabilities:				
Due Beyond One Year	1,151,746		1,151,746	1,978,889
<b>Total Liabilities</b>	<b>3,210,001</b>	<b>3,910,954</b>	<b>7,120,955</b>	<b>2,887,680</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	2,114,430	192,402	2,306,832	2,234,330
Restricted for:				
Other Purposes	1,390,507		1,390,507	1,382,611
Unrestricted	2,989,180	(905,855)	2,083,325	4,309,699
<b>Total Net Assets</b>	<b>\$6,494,117</b>	<b>(713,453)</b>	<b>5,780,664</b>	<b>7,926,640</b>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Special Education	\$20,624,676			(20,624,676)		(20,624,676)	(20,725,888)
Other Special Instruction	113,073			(113,073)		(113,073)	(86,347)
Other Instructional Programs							(19,245)
<b>Support Services:</b>							
Student & Instruction Related Services	891,235			(891,235)		(891,235)	(757,362)
School Administrative Services	968,279			(968,279)		(968,279)	(684,626)
General & Business Administrative Services	2,008,678			(2,008,678)		(2,008,678)	(2,232,537)
Plant Operations & Maintenance	2,897,523			(2,897,523)		(2,897,523)	(2,883,767)
Pupil Transportation							(1,163,065)
Unallocated Benefits	13,612,763		2,786,420	(10,826,343)		(10,826,343)	(10,631,565)
Unallocated Compensated Absences	(827,143)			827,143		827,143	(125,502)
Unallocated Depreciation	209,070			(209,070)		(209,070)	(246,312)
Contributed Capital Adjustments	(39,928)			39,928		39,928	
Special Schools	12,096			(12,096)		(12,096)	(16,344)
<b>Total Governmental Activities</b>	<b>40,470,322</b>		<b>2,786,420</b>	<b>(37,683,902)</b>		<b>(37,683,902)</b>	<b>(39,572,560)</b>
<b>Business-Type Activities:</b>							
Food Service	1,423,397	423,346	381,905		(618,146)	(618,146)	(691,171)
School Store	2,691	17,835			15,144	15,144	14,709
Educational Services	18,078,793	14,354,634	69,082		(3,655,077)	(3,655,077)	(2,341,391)

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Total Business-Type Activities	19,504,881	14,795,815	450,987		(4,258,079)	(4,258,079)	(3,017,853)
Total Primary Government	<u>\$59,975,203</u>	<u>14,795,815</u>	<u>3,237,407</u>	<u>(37,683,902)</u>	<u>(4,258,079)</u>	<u>(41,941,981)</u>	<u>(42,590,413)</u>
<b>General Revenues:</b>							
County Appropriation				4,800,000		4,800,000	4,800,000
Federal & State Aid Not Restricted				256,188		256,188	124,165
Tuition Received				26,683,179		26,683,179	25,000,585
Tuition Charges				7,194,202		7,194,202	5,586,564
Non Resident Fees				404,024		404,024	173,771
Miscellaneous Income				451,334	7,078	458,412	2,744,636
Transfers				(695,256)	695,256		
Contributed Capital							343,176
Total General Revenues, Special Items, Extraordinary Items & Transfers				<u>39,093,671</u>	<u>702,334</u>	<u>39,796,005</u>	<u>38,772,897</u>
Change In Net Assets				1,409,769	(3,555,745)	(2,145,976)	(3,817,516)
Net Assets - Beginning				<u>5,084,348</u>	<u>2,842,292</u>	<u>7,926,640</u>	<u>11,744,156</u>
Net Assets - Ending				<u>\$6,494,117</u>	<u>(713,453)</u>	<u>5,780,664</u>	<u>7,926,640</u>

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



## B. Fund Financial Statements



## Governmental Funds



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	TOTALS (MEMORANDUM ONLY)		
	GENERAL FUND	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$3,955,199	3,955,199	1,981,363
Cash & Cash Equivalents - Capital Reserve	1,390,507	1,390,507	1,382,611
Interfund Receivable	218,361	218,361	692,030
Intergovernmental Accounts Receivable:			
Other	1,950,503	1,950,503	1,128,521
State	75,118	75,118	74,184
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$7,589,688</u>	<u>7,589,688</u>	<u>5,258,709</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Interfund Payable	1,202,740	1,202,740	
Accounts Payable	55,794	55,794	78,179
Loan Payable	486,175	486,175	
Deferred Revenue	313,546	313,546	112,197
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>2,058,255</u>	<u>2,058,255</u>	<u>190,376</u>
Fund Balances:			
Reserved for:			
Capital Reserve Account	1,390,507	1,390,507	1,382,611
Unreserved, Reported in:			
General Fund	4,140,926	4,140,926	3,685,722
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>5,531,433</u>	<u>5,531,433</u>	<u>5,068,333</u>
Total Liabilities & Fund Balances	<u><u>\$7,589,688</u></u>		
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$6,125,561 and the accumulated depreciation is \$4,011,131.			
		2,114,430	1,994,904
Long term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			
		<u>(1,151,746)</u>	<u>(1,978,889)</u>
Net Assets of Governmental Activities		<u><u>\$6,494,117</u></u>	<u><u>5,084,348</u></u>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	GENERAL FUND	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2010	JUNE 30, 2009
<b>Revenues:</b>			
County Appropriation	\$4,800,000	4,800,000	4,800,000
Tuition Charges	26,683,179	26,683,179	25,000,585
Other Tuition	7,194,202	7,194,202	5,586,564
Nonresident Fees	404,024	404,024	173,771
Miscellaneous	451,334	451,334	2,653,246
State Sources	2,786,420	2,786,420	2,659,992
Federal Sources	256,188	256,188	133,406
<b>Total Revenues</b>	<b>42,575,347</b>	<b>42,575,347</b>	<b>41,007,564</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Special Education Instruction	20,624,676	20,624,676	20,725,888
Other Special Instruction	113,073	113,073	86,347
Other Instructional Programs			19,245
<b>Support Services &amp; Undistributed Costs:</b>			
Student & Instruction Related Services	891,235	891,235	766,603
School Administrative Services	968,279	968,279	684,626
Other Administrative Services	2,297,346	2,297,346	2,232,537
Plant Operations & Maintenance	2,897,523	2,897,523	2,883,767
Pupil Transportation			1,163,065
Unallocated Benefits	13,612,763	13,612,763	13,291,557
Special Schools	12,096	12,096	16,344
<b>Total Expenditures</b>	<b>41,416,991</b>	<b>41,416,991</b>	<b>41,869,979</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>1,158,356</b>	<b>1,158,356</b>	<b>(862,415)</b>
<b>Other Financing Sources/(Uses):</b>			
Contribution to Food Service	(695,256)	(695,256)	(696,758)
<b>Total Other Financing Sources &amp; Uses</b>	<b>(695,256)</b>	<b>(695,256)</b>	<b>(696,758)</b>
<b>Net Change in Fund Balances</b>	<b>463,100</b>	<b>463,100</b>	<b>(1,559,173)</b>
Fund Balance - July 1	5,068,333	5,068,333	6,627,506
<b>Fund Balance - June 30</b>	<b>\$5,531,433</b>	<b>5,531,433</b>	<b>5,068,333</b>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$463,100

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:

Adjustment to Contributed Capital per Appraisal Report	\$105,252	
Loss on Disposal of Contributed Capital	(6,072)	
Depreciation Expense	(209,070)	
Deletions	(59,252)	
Contributed Capital	<u>288,668</u>	119,526

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	1,978,889	
Current Year Compensated Absences	<u>(1,151,746)</u>	<u>827,143</u>

Change in Net Assets of Governmental Activities \$1,409,769

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



## Proprietary Funds



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINED STATEMENT OF NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (With Comparative Totals for June 30, 2009)**

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2010	JUNE 30, 2009
<b>Current Assets:</b>						
Cash & Cash Equivalents	\$99,189	9,505	95,037		203,731	613,171
Security Deposit				10,245	10,245	10,245
Interfund Receivable	\$102,740		50,000		152,740	
Receivable:						
State	1,424				1,424	1,268
Federal	28,616				28,616	23,289
Other		1,402		2,587,795	2,589,197	2,641,406
Inventories	12,592	5,734	820		19,146	31,902
<b>Total Current Assets</b>	<b>244,561</b>	<b>16,641</b>	<b>145,857</b>	<b>2,598,040</b>	<b>3,005,099</b>	<b>3,321,281</b>
<b>Fixed Assets:</b>						
Equipment	313,301	1,690	1,527	382,416	698,934	699,886
Less: Accumulated Depreciation	(172,679)	(1,690)	(1,527)	(330,636)	(506,532)	(460,460)
<b>Total Fixed Assets</b>	<b>140,622</b>			<b>51,780</b>	<b>192,402</b>	<b>239,426</b>
<b>Total Assets</b>	<b>385,183</b>	<b>16,641</b>	<b>145,857</b>	<b>2,649,820</b>	<b>3,197,501</b>	<b>3,560,707</b>
<b>LIABILITIES</b>						
Cash Deficit				3,902,341	3,902,341	
Accounts Payable				461	461	35,368
Interfund Payables		8,152			8,152	683,047
<b>Total Liabilities</b>		<b>8,152</b>		<b>3,902,802</b>	<b>3,910,954</b>	<b>718,415</b>
<b>NET ASSETS</b>						
Unrestricted	244,561	8,489	145,857	(1,304,762)	(905,855)	2,602,866
Investment in Capital Assets Net of Related Debt	140,622			51,780	192,402	239,426
<b>Total Net Assets</b>	<b>\$385,183</b>	<b>8,489</b>	<b>145,857</b>	<b>(1,252,982)</b>	<b>(713,453)</b>	<b>2,842,292</b>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>				TOTALS	
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	(MEMORANDUM ONLY) JUNE 30, 2010      JUNE 30, 2009	
<b>OPERATING REVENUES</b>						
Local Sources:						
Daily Sales - Reimbursable Programs:						
School Lunch & Breakfast Programs	\$85,044				85,044	90,903
Daily Sales - Nonreimbursable Programs	219,927	84,995			304,922	386,983
Special Functions		24,282			24,282	42,112
Fees for Services				14,276,825	14,276,825	15,621,357
Other Revenue	9,098			77,809	86,907	601,423
Sale of Merchandise			17,835		17,835	18,066
<b>Total Operating Revenue</b>	<u>314,069</u>	<u>109,277</u>	<u>17,835</u>	<u>14,354,634</u>	<u>14,795,815</u>	<u>16,760,844</u>
<b>OPERATING EXPENSES</b>						
Salaries & Wages	695,256			10,765,705	11,460,961	10,892,914
Purchased Professional Services				466,539	466,539	730,979
Telephone/Communication/Postage				20,912	20,912	27,761
Purchased Services - Transportation				6,100,535	6,100,535	5,689,514
Repairs	7,665			67,350	75,015	23,383
Supplies & Materials	24,496			54,975	79,471	194,124
Travel				18,337	18,337	22,519
Training & Seminars				15,895	15,895	56,351
Other Objects				247,309	247,309	195,134
Depreciation	9,108			36,964	46,072	49,855
Miscellaneous Expenditures	26,158			284,272	310,430	1,499,165
Cost of Sales	556,342	103,420	2,691		662,453	815,541
<b>Total Operating Expenses</b>	<u>1,319,025</u>	<u>103,420</u>	<u>2,691</u>	<u>18,078,793</u>	<u>19,503,929</u>	<u>20,197,240</u>
<b>Operating Gain\ (Loss)</b>	<u>(1,004,956)</u>	<u>5,857</u>	<u>15,144</u>	<u>(3,724,159)</u>	<u>(4,708,114)</u>	<u>(3,436,396)</u>
<b>Nonoperating Revenues:</b>						
State Sources:						
State School Breakfast Program	7,359				7,359	7,449
State School Lunch Program	8,191				8,191	7,838
Extended School Nutrition Program	1,002				1,002	1,018
Federal Source:						
School Breakfast Program	108,015				108,015	98,046
National School Lunch Program	199,377				199,377	176,942
Extended School Nutrition Program	19,095				19,095	18,768
Food Distribution Program	38,866				38,866	39,297
Other Sources:						
BCIP Inclusion Project				53,832	53,832	52,435
Crisis Response				15,250	15,250	16,750
Interest Income	600	57	603	5,818	7,078	91,390
Operating Transfer In/(Out) General						
Fund Board Contribution	695,256		(50,000)		645,256	696,758
Due from General Fund			50,000		50,000	
Board Contribution - Contributed Capital						90,621
Loss on Adjustment to Fixed Assets	(952)				(952)	
<b>Total Nonoperating Revenues/Expenses</b>	<u>1,076,809</u>	<u>57</u>	<u>603</u>	<u>74,900</u>	<u>1,152,369</u>	<u>1,297,312</u>
<b>Change in Net Assets</b>	71,853	5,914	15,747	(3,649,259)	(3,555,745)	(2,139,084)
<b>Total Net Assets - Beginning</b>	<u>313,330</u>	<u>2,575</u>	<u>130,110</u>	<u>2,396,277</u>	<u>2,842,292</u>	<u>4,981,376</u>
<b>Total Net Assets - Ending</b>	<u>\$385,183</u>	<u>8,489</u>	<u>145,857</u>	<u>(1,252,982)</u>	<u>(713,453)</u>	<u>2,842,292</u>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
PROPRIETARY FUNDS  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>						
	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	TOTALS (MEMORANDUM ONLY) JUNE 30, 2010      JUNE 30, 2009	
<b>Cash Flows From Operating Activities:</b>						
Receipts from Customers	\$216,011	107,875	17,835	14,403,563	14,745,284	17,263,381
Payments to Employees	(695,256)			(10,765,705)	(11,460,961)	(10,892,914)
Payments to Suppliers	(603,320)	(101,942)	(2,754)	(7,985,926)	(8,693,942)	(8,593,218)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(1,082,565)</b>	<b>5,933</b>	<b>15,081</b>	<b>(4,348,068)</b>	<b>(5,409,619)</b>	<b>(2,222,751)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>						
State Sources	16,396				16,396	16,305
Federal Sources	360,026				360,026	333,053
Other Sources				69,082	69,082	69,185
Operating Subsidies & Transfers to Other Funds	695,256		(50,000)		645,256	787,379
<b>Net Cash Provided/(Used) by Noncapital Financing Activities</b>	<b>1,071,678</b>		<b>(50,000)</b>	<b>69,082</b>	<b>1,090,760</b>	<b>1,205,922</b>
<b>Cash Flows From Capital &amp; Related Financing Activities:</b>						
Purchases of Capital Assets						(112,682)
<b>Net Cash Provided/(Used) by Capital &amp; Related Financing Activities</b>						<b>(112,682)</b>
<b>Cash Flows From Investing Activities:</b>						
Interest & Dividends	600	57	603	5,818	7,078	91,390
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>600</b>	<b>57</b>	<b>603</b>	<b>5,818</b>	<b>7,078</b>	<b>91,390</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>						
Balances - Beginning of Year	(10,287)	5,990	(34,316)	(4,273,168)	(4,311,781)	(1,038,121)
Balances - End of Year	109,476	3,515	129,353	370,827	613,171	1,651,292
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>						
Operating Income/(Loss)	(\$1,004,956)	5,857	15,144	(3,724,159)	(4,708,114)	(3,436,396)
<b>Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>						
Depreciation & Net Amortization (Increase)/Decrease in Accounts Receivable, Net	9,108			36,964	46,072	49,855
(Increase)/Decrease in Inventories	(98,058)	(1,402)		48,929	(50,531)	502,537
(Increase)/Decrease in Prepaid Expenses	11,341	1,478	(63)		12,756	6,158
Increase/(Decrease) in Accounts Payable				(709,802)	(709,802)	658,304
<b>Total Adjustments</b>	<b>(77,609)</b>	<b>76</b>	<b>(63)</b>	<b>(623,909)</b>	<b>(701,505)</b>	<b>1,213,645</b>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(\$1,082,565)</b>	<b>5,933</b>	<b>15,081</b>	<b>(4,348,068)</b>	<b>(5,409,619)</b>	<b>(2,222,751)</b>

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



Fiduciary Fund



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINED STATEMENT OF FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS (MEMORANDUM ONLY)	
	DONATION TRUST	UNEMPLOYMENT COMPENSATION	PAYROLL FUND	STUDENT ACTIVITY	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$59,563	6,057	502,486	60,858	628,964	1,469,430
Interfund Receivable		700,000		350,000	1,050,000	
<b>Total Assets</b>	<b>59,563</b>	<b>706,057</b>	<b>502,486</b>	<b>410,858</b>	<b>1,678,964</b>	<b>1,469,430</b>
<b>LIABILITIES</b>						
Payroll Deductions & Withholdings			292,277		292,277	290,935
Interfunds Payable			210,209		210,209	8,983
Payable to Student Groups				410,858	410,858	413,679
<b>Total Liabilities</b>			<b>502,486</b>	<b>410,858</b>	<b>913,344</b>	<b>713,597</b>
<b>NET ASSETS</b>						
Reserved for Unemployment Claims		706,057			706,057	704,638
Reserved for Students	59,563				59,563	51,195
<b>Total Net Assets</b>	<b>\$59,563</b>	<b>706,057</b>			<b>765,620</b>	<b>755,833</b>

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	PRIVATE PURPOSE		TOTALS (MEMORANDUM ONLY)	
	DONATION TRUST	UNEMPLOYMENT TRUST	JUNE 30, 2010	JUNE 30, 2009
<b>ADDITIONS</b>				
Donations	\$8,032		8,032	6,239
Total Contributions	8,032		8,032	6,239
Due from General Fund				7,035
Interest Earnings	336	1,419	1,755	7,035
Total Interest Earnings	336	1,419	1,755	7,035
<b>Total Additions</b>	<b>8,368</b>	<b>1,419</b>	<b>9,787</b>	<b>13,274</b>
<b>DEDUCTIONS</b>				
Student Awards & Celebrations				4,200
Total Deductions				4,200
Change in Net Assets	8,368	1,419	9,787	9,074
Net Assets-Beginning of the Year	51,195	704,638	755,833	746,759
<b>Net Assets - End of the Year</b>	<b>\$59,563</b>	<b>706,057</b>	<b>765,620</b>	<b>755,833</b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

**Note 1. Summary of Significant Accounting Policies**

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

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

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

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2010 and for the year then ended.

**A. Reporting Entity:**

The Burlington County Special Services School District is a Special Services District located in the County of Burlington, State of New Jersey. As a Special Services District, the School District functions independently through a Board of Education. The Board is comprised of six members appointed to three-year terms. These terms are staggered so that two members’ terms expire each year. In addition, the County Superintendent serves as an ex-officio member. The purpose of the School District is to provide programs adapted to each student’s unique needs and abilities. Focusing on students’ capabilities, the District provides specialized academic instructional approaches, a carefully planned sequence of career development experiences, physical education, and recreational activities combined with the specialized therapeutic interventions needed to assure that each child reaches full potential. By carefully structuring each student’s program on an individual basis, the District strives to have each student become a productive, self-sufficient member of the community. The Burlington County Special Services School District has an approximate enrollment at June 30, 2010 of 850 students.

## BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

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

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

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

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

#### B. District-Wide and Fund Financial Statements

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

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

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

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

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

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

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

**D. Fund Accounting:**

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

**Governmental Funds**

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

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

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

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

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

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

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

**Proprietary Fund**

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

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

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

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

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

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

**Fiduciary Fund**

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

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

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

**E. Basis of Accounting:**

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):**

**JUNE 30, 2010**

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

**E. Basis of Accounting (continued):**

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

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

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

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

**F. Budgets/Budgetary Control:**

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

Annual appropriated budgets are prepared in the spring of each year for the general fund. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010

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

**F. Budgets/Budgetary Control (continued):**

item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts reference in *N.J.A.C.6:20-2A.2(m)1*. Transfers of appropriations may be made by Burlington County Special Services School District resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

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

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

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

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

	<b>General Fund</b>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	<u>\$42,575,347</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$42,575,347</u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

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

**F. Budgets/Budgetary Control (continued):**

	<b>General Fund</b>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$41,416,991</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$41,416,991</u>

**G. Encumbrances:**

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

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

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

**H. Cash, Cash Equivalents and Investments:**

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

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

**H. Cash, Cash Equivalents and Investments (continued):**

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.

**I. Tuition Receivable/Payable**

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2010, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2007-2008 and 2008-2009 have been established and the District has billed/paid the school boards that have adjustments.

**J. Inventories & Prepaid Expenses**

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

**K. Short-Term Interfund Receivables/Payables**

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):**

**JUNE 30, 2010**

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

**L. Fixed Assets:**

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

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

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

**M. Accrued Salaries and Wages**

Certain District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**N. Compensated Absences**

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

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

**N. Compensated Absences (continued):**

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

**O. Deferred Revenue**

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

**P. Long-term Obligations**

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

**Q. County Agreement**

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

**Note 2. Cash and Cash Equivalents and Investments**

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2010, and reported at fair value are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand Deposits	<u>\$2,276,060</u>
Total Deposits & Investments	<u>\$2,276,060</u>

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

**Note 2. Cash and Cash Equivalents and Investments (continued):**

**The District's Cash and Cash Equivalents are Reported as Follows:**

Governmental Activities	\$5,345,706
Business-Type Activities	(3,698,610)
Fiduciary Funds	<u>628,964</u>
Total Cash and Cash Equivalents	<u>\$2,276,060</u>

**Custodial Credit Risk** – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$5,096,382 at June 30, 2010. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$4,846,382 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

**Investment Interest Rate Risk** – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2010, are provided in the above schedule.

**Investment Credit Risk** – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 2. Cash and Cash Equivalents and Investments (continued):**

- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

**Concentration of Investment Credit Risk** – The District places no limit on the amount it may invest in any one issuer.

**Note 3. Governmental Unit Deposit Protection Act (GUDPA)**

The District has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

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

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

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

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

**Note 4. Capital Reserve Account**

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

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

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning Balance, July 1, 2009	\$1,382,611
Interest Earnings	<u>7,896</u>
Ending Balance, June 30, 2010	<u>\$1,390,507</u>

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 is \$4,016,000. This plan has yet to receive State approval.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 5. Transfers to Capital Outlay**

During the year ending June 30, 2010, the District transferred \$ -0- to the capital outlay accounts.

**Note 6. Inventory**

Inventory in the Enterprise Funds at June 30, 2010 consisted of the following:

Food Service Fund – Food Supplies	\$12,592
Human Services Facility – Food Supplies	5,734
School Store – Clothing & Other Resale Items	<u>820</u>
<b>Total</b>	<b><u>\$19,146</u></b>

**Note 7. Fixed Assets**

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year-ended June 30, 2010:

	<b>June 30, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>June 30, 2010</b>
Machinery & Equipment	\$5,534,839	\$ 288,668	\$(59,252)	\$361,306	\$6,125,561
Accumulated Depreciation	<u>(3,539,935)</u>	<u>(268,322)</u>	<u>53,180</u>	<u>(256,054)</u>	<u>(4,011,131)</u>
<b>Total</b>	<b><u>\$1,994,904</u></b>	<b><u>\$ 20,346</u></b>	<b><u>\$(6,072)</u></b>	<b><u>\$105,252</u></b>	<b><u>\$2,114,430</u></b>

The following is a summary of proprietary fund type fixed assets at June 30, 2010:

	<b>June 30, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjntments</b>	<b>June 30, 2010</b>
Machinery & Equipment	\$699,886		\$ -	\$ (952)	\$698,934
Less: Accumulated Depreciation	<u>(460,460)</u>	<u>\$(48,646)</u>		<u>2,574</u>	<u>(506,532)</u>
<b>Net Fixed Assets</b>	<b><u>\$239,426</u></b>	<b><u>\$(48,646)</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,622</u></b>	<b><u>\$192,402</u></b>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 8. Long-Term Debt**

Long-term obligations at June 30, 2010 and changes for the fiscal year then ended are as follows:

	Balance June 30, 2009	Decreased	Balance June 30, 2010
Compensated Absences Payable	<u>\$1,978,889</u>	<u>\$(827,143)</u>	<u>\$1,151,746</u>

**Note 9. Operating Lease Commitments**

A. The administrative offices of the School District has future minimum rental commitments for eleven copiers accounted for as operating leases at June 30, 2010 as follows:

Year-ending June 30,	
2011	\$ 56,700
2012	<u>44,975</u>
Total	<u>\$101,675</u>

B. The Educational Service Unit of the School District has future minimum rental commitments for a copier, accounted for as an operating lease at June 30, 2010 as follows:

Year-ending June 30,	
2011	\$81,802
2012	<u>3,142</u>
Total	<u>\$84,944</u>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**JUNE 30, 2010**

**Note 10. Pension Plans**

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

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

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 10. Pension Plans (continued):**

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

**Contribution Requirements** – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$967,404	100%	\$ -0-
6/30/09	782,014	100%	\$ -0-
6/30/08	584,353	100%	-0-

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

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$1,276,475	100%	\$ -0-
6/30/09	1,194,536	100%	\$ -0-
6/30/08	1,705,623	100%	-0-

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 10. Pension Plans (continued):**

During the year-ended June 30, 2010 the State of New Jersey contributed \$1,276,475 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$1,509,945 for the year-ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Note 11. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**Note 12. 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.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after fifteen years of service. The amount at June 30, 2010 is \$1,151,746.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 12. Compensated Absences (continued):**

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, 2010 no liability existed for compensated absences in the proprietary fund types.

**Note 13. Deferred Compensation**

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

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

**Note 14. Risk Management**

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

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

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

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2009-2010	\$ None	\$ None	\$706,057
2008-2009	None	None	704,638
2007-2008	None	None	698,101

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
JUNE 30, 2010**

**Note 14. Risk Management (continued):**

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

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

**Note 15. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2010:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 218,361	\$1,202,740
Trust & Agency Fund	1,050,000	210,209
Proprietary Fund	<u>152,740</u>	<u>8,152</u>
<b>Total</b>	<b><u>\$1,421,101</u></b>	<b><u>\$1,421,101</u></b>

The purpose of interfunds are short-term borrowings.

**Note 16. Fund Balance Appropriated**

General Fund – Of the \$5,531,433 General Fund fund balance at June 30, 2010, \$1,390,507 has been reserved in the Capital Reserve Account; and \$4,140,926 is unreserved and undesignated.

**Note 17. Litigation**

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



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



### C. Budgetary Comparison Schedules



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>											
<b>Local Sources:</b>											
County Appropriations	10-1210	\$4,800,000		4,800,000	4,800,000		4,800,000		4,800,000	4,800,000	
Tuition - LEAs	10-1310	26,896,210		26,896,210	26,683,179	(213,031)	27,684,033		27,684,033	25,000,585	(2,683,448)
Other Tuition	10-1320-1340				7,194,202	7,194,202				5,586,564	5,586,564
Nonresident Fees	10-1350	436,000		436,000	404,024	(31,976)	200,000		200,000	173,771	(26,229)
Interest Earned on Capital Reserve	10-1XXX	15,970		15,970	7,896	(8,074)	68,940		68,940	12,826	(56,114)
Miscellaneous	10-1XXX	7,927,900		7,927,900	443,438	(7,484,462)	9,049,535		9,049,535	2,631,179	(6,418,356)
<b>Total Local Sources</b>		<b>40,076,080</b>		<b>40,076,080</b>	<b>39,532,739</b>	<b>(543,341)</b>	<b>41,802,508</b>		<b>41,802,508</b>	<b>38,204,925</b>	<b>(3,597,583)</b>
<b>State Sources:</b>											
<b>Nonbudgeted:</b>											
Reimbursed TPAF Pension Contributions					1,276,475	1,276,475				1,194,536	1,194,536
Reimbursed TPAF Social Security Contributions					1,509,945	1,509,945				1,465,456	1,465,456
<b>Total State Sources</b>					<b>2,786,420</b>	<b>2,786,420</b>				<b>2,659,992</b>	<b>2,659,992</b>
<b>Federal Sources:</b>											
Special Education Aid - Medicaid Initiative	11-4200-000	100,000		100,000	256,188	156,188	177,000		177,000	133,406	(43,594)
<b>Total Federal Services</b>		<b>100,000</b>		<b>100,000</b>	<b>256,188</b>	<b>156,188</b>	<b>177,000</b>		<b>177,000</b>	<b>133,406</b>	<b>(43,594)</b>
<b>Total Revenues</b>		<b>40,176,080</b>		<b>40,176,080</b>	<b>42,575,347</b>	<b>2,399,267</b>	<b>41,979,508</b>		<b>41,979,508</b>	<b>40,998,323</b>	<b>(981,185)</b>
<b>Expenditures:</b>											
<b>Current Expense:</b>											
<b>Special Education - Instruction:</b>											
<b>Behavioral Disabilities:</b>											
Salaries of Teachers	11-209-100-101	4,001,315	(225,475)	3,775,840	3,769,731	6,109	4,054,600	(203,800)	3,850,800	3,754,997	95,803
Other Salaries for Instruction	11-209-100-106	2,728,806	(164,723)	2,564,083	2,558,280	5,803	2,810,950	(202,608)	2,608,342	2,570,377	37,965
Other Purchased Services	11-209-100-500	1,500	72,522	74,022	49,024	24,998	1,500		1,500	1,290	210
General Supplies	11-209-100-610	169,241	5,127	174,368	147,914	26,454	190,010	30	190,040	166,056	23,984
Textbooks	11-209-100-640	23,630	(9,452)	14,178	13,680	498	26,065	2,000	28,065	23,204	4,861
Other Objects	11-209-100-890	99,230	(76,230)	23,000	14,707	8,293	102,650	(30)	102,620	61,705	40,915

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Behavioral Disabilities	7,023,722	(398,231)	6,625,491	6,553,336	72,155	7,185,775	(404,408)	6,781,367	6,577,629	203,738
Multiple Disabilities:										
Salaries of Teachers	4,130,225	39,701	4,169,926	4,169,149	777	4,615,880	(301,530)	4,314,350	4,307,415	6,935
Other Salaries for Instruction	4,312,968	37,732	4,350,700	4,340,277	10,423	4,580,852	(255,480)	4,325,372	4,224,148	101,224
Other Purchased Services	1,500	62,650	64,150	33,086	31,064	1,500		1,500	1,226	274
General Supplies	141,300	(350)	140,950	117,392	23,558	169,481	12,000	181,481	163,930	17,551
Textbooks	18,725		18,725	15,456	3,269	4,300	5,500	9,800	7,922	1,878
Other Objects	100,300	(62,300)	38,000	18,569	19,431	122,000	(1,000)	121,000	74,924	46,076
Total Multiple Disabilities	8,705,018	77,433	8,782,451	8,693,929	88,522	9,494,013	(540,510)	8,953,503	8,779,565	173,938
Autism:										
Salaries of Teachers	850,000	266,960	1,116,960	1,114,681	2,279	984,000	136,520	1,120,520	1,106,560	13,960
Other Salaries for Instruction	1,589,888	294,617	1,884,505	1,876,554	7,951	1,601,772	541,780	2,143,552	2,055,969	87,583
Other Purchased Services		137,673	137,673	126,552	11,121					
General Supplies	6,500	(2,801)	3,699	3,699		12,120		12,120	8,684	3,436
Other Objects	24,180	(19,430)	4,750	3,917	833	14,100		14,100	5,114	8,986
Total Autism	2,470,568	677,019	3,147,587	3,125,403	22,184	2,611,992	678,300	3,290,292	3,176,327	113,965
Preschool Disabilities -Full-Time:										
Salaries of Teachers	294,645	2,792	297,437	294,903	2,534	333,960	(51,080)	282,880	281,198	1,682
Other Salaries for Instruction	365,126	(29,526)	335,600	334,889	711	431,222	(81,817)	349,405	337,892	11,513
General Supplies	1,200		1,200	1,171	29	2,375		2,375	1,641	734
Other Objects	500		500	416	84	1,000		1,000		1,000
Total Preschool Disabilities - Full-Time	661,471	(26,734)	634,737	631,379	3,358	768,557	(132,897)	635,660	620,731	14,929
Home Instruction:										
Salaries of Teachers		14,150	14,150	14,076	74					
Total Home Instruction		14,150	14,150	14,076	74					
Extended School Year:										
Salaries of Teachers	475,000	(3,672)	471,328	471,328		470,000		470,000	452,220	17,780
Other Salaries for Instruction	250,000	(29,762)	220,238	220,238		300,000	(24,700)	275,300	216,666	58,634

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Extended School Year	725,000	(33,434)	691,566	691,566		770,000	(24,700)	745,300	668,886	76,414	
Cognitive Severe:											
Salaries of Teachers	11-222-100-101	334,471	73,050	407,521	407,519	2	274,000	45,000	319,000	292,011	26,989
Other Salaries for Instruction	11-222-100-106	640,195	(144,410)	495,785	489,994	5,791	633,886	(10,778)	623,108	595,162	27,946
Other Purchased Services	11-222-100-500		17,630	17,630	16,764	866					
General Supplies	11-222-100-610	1,600		1,600	710	890	4,247		4,247	2,636	1,611
Other Objects	11-222-100-890	22,630	(22,630)				23,000	23,000	12,941	10,059	
Total Cognitive-Severe		998,896	(76,360)	922,536	914,987	7,549	935,133	34,222	969,355	902,750	66,605
Total Special Education		20,584,675	233,843	20,818,518	20,624,676	193,842	21,765,470	(389,993)	21,375,477	20,725,888	649,589
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	89,250	15,615	104,865	104,861	4	89,250	(2,903)	86,347	65,145	21,202
Supplies and Materials	11-401-100-600	16,300		16,300	8,212	8,088	16,300	4,902	21,202	21,202	
Total School Sponsored Cocurricular Activities		105,550	15,615	121,165	113,073	8,092	105,550	1,999	107,549	86,347	21,202
Other Instructional Programs											
Salaries	11-403-100-100	15,000	(15,000)				15,000	8,000	23,000	19,245	3,755
Total Other Instructional Programs		15,000	(15,000)				15,000	8,000	23,000	19,245	3,755
Total Instruction		20,705,225	234,458	20,939,683	20,737,749	201,934	21,886,020	(379,994)	21,506,026	20,831,480	674,546
Undistributed Expenditures:											
Community Services:											
Salaries	11-800-330-100	81,000	(10,000)	71,000	61,745	9,255	81,000	(6,000)	75,000	61,387	13,613
Supplies and Materials	11-800-330-600	5,000		5,000		5,000	5,000		5,000	2,615	2,385
Total Community Services		86,000	(10,000)	76,000	61,745	14,255	86,000	(6,000)	80,000	64,002	15,998
Health Services:											
Salaries	11-000-213-100	10,000	17,348	27,348	27,312	36	10,000	4,652	14,652	14,652	
Purchased Professional Services	11-000-213-330	15,600		15,600	13,000	2,600	15,600	(600)	15,000	15,000	
Supplies and Materials	11-000-213-610	18,400		18,400	16,542	1,858	20,000	(1,252)	18,748	16,998	1,750
Other Objects	11-000-213-890	1,000	(350)	650	170	480	1,000	(800)	200	158	42
Total Health Services		45,000	16,998	61,998	57,024	4,974	46,600	2,000	48,600	46,808	1,792

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**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Related Services											
Services:											
Salaries	11-000-216-100		43,048	43,048	43,048						
Supplies & Materials	11-000-216-610		15,300	15,300	10,981	4,319					
Total Other Related Services			58,348	58,348	54,029	4,319					
Other Support Services - Students - Special											
Services:											
Salaries of Other Professional Staff	11-000-219-104	195,837		195,837	194,602	1,235	192,416	(4,110)	188,306	188,305	1
Salaries of Secretarial & Clerical Assistants	11-000-219-105	206,345	(23,935)	182,410	180,834	1,576	196,131	3,411	199,542	198,394	1,148
Other Purchased Services	11-000-219-500	10,350	57,169	67,519	66,283	1,236	17,000	(4,000)	13,000	10,429	2,571
Supplies & Materials	11-000-219-610	30,206	(16,800)	13,406	5,952	7,454	26,723	(3,900)	22,823	17,109	5,714
Other Objects	11-000-219-890	22,750		22,750	17,307	5,443	14,500		14,500	11,820	2,680
Total Other Support Services - Students - Special Services		465,488	16,434	481,922	464,978	16,944	446,770	(8,599)	438,171	426,057	12,114
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	128,201	357	128,558	128,558		122,096	1,174	123,270	123,270	
Salaries of Other Professional Staff	11-000-221-104	18,000	10,000	28,000	27,045	955	13,500		13,500		13,500
Salaries of Secretarial & Clerical Assistants	11-000-221-105	49,996		49,996	49,996		48,935		48,935	48,414	521
Supplies and Materials	11-000-221-610	2,000	(625)	1,375		1,375	1,000		1,000	619	381
Other Objects	11-000-221-890	14,000	(9,375)	4,625	4,529	96	14,200		14,200	10,379	3,821
Total Improvement of Instruction Services/Other Support Services Instructional Staff		212,197	357	212,554	210,128	2,426	199,731	1,174	200,905	182,682	18,223
Instructional Staff Training Services:											
Other Purchased Services	11-000-223-500	46,750		46,750	43,331	3,419	53,500		53,500	37,813	15,687
Total Instructional Staff Training Services		46,750		46,750	43,331	3,419	53,500		53,500	37,813	15,687

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Support Services General Administration:</b>											
Salaries	11-000-230-100	292,872	2,750	295,622	295,528	94	272,540	5,700	278,240	278,221	19
Legal Services	11-000-230-331	40,000		40,000	37,175	2,825	25,000	14,130	39,130	25,956	13,174
Audit Fees	11-000-230-332	40,000		40,000	40,000		40,000	500	40,500	40,500	
Other Purchased Professional Services	11-000-230-339	28,000	11,800	39,800	39,777	23	28,000	2,500	30,500	30,012	488
Communications/Telephone	11-000-230-530	300,000	110,574	410,574	408,957	1,617	260,000	23,500	283,500	58,077	225,423
BOE Other Purchased Services	11-000-230-585		15,000	15,000	8,525	6,475					
Supplies and Materials	11-000-230-610	100,000	(33,000)	67,000	61,868	5,132	110,000		110,000	89,287	20,713
Miscellaneous Expenditures	11-000-230-890	104,000	(92,000)	12,000	8,788	3,212	101,700	73,000	174,700	160,121	14,579
BOE Membership Dues and Fees	11-000-230-895	15,000	69,900	84,900	67,661	17,239	20,000		20,000	2,452	17,548
<b>Total Support Services General Administration</b>		<b>919,872</b>	<b>85,024</b>	<b>1,004,896</b>	<b>968,279</b>	<b>36,617</b>	<b>857,240</b>	<b>119,330</b>	<b>976,570</b>	<b>684,626</b>	<b>291,944</b>
<b>Support Services School Administration:</b>											
Salaries of Principals & Assistant Principals	11-000-240-103	914,605	10,838	925,443	925,443		962,569	(81,137)	881,432	881,256	176
Salaries of Secretarial & Clerical Assistants	11-000-240-105	331,234	(8,007)	323,227	323,155	72	301,934	15,026	316,960	314,974	1,986
Supplies and Materials	11-000-240-610	23,585	(10,720)	12,865	8,200	4,665	17,679		17,679	4,054	13,625
Other Objects	11-000-240-890	20,700	1,870	22,570	15,399	7,171	27,100		27,100	13,264	13,836
<b>Total Support Services School Administration</b>		<b>1,290,124</b>	<b>(6,019)</b>	<b>1,284,105</b>	<b>1,272,197</b>	<b>11,908</b>	<b>1,309,282</b>	<b>(66,111)</b>	<b>1,243,171</b>	<b>1,213,548</b>	<b>29,623</b>
<b>Support Services Central Services</b>											
Salaries	11-000-251-100	645,000	(38,200)	606,800	601,568	5,232	574,000	41,000	615,000	594,640	20,360
Other Purchased Services	11-000-251-592		109,000	109,000	99,220	9,780					
Other Objects	11-000-251-890	139,000	(110,000)	29,000	24,962	4,038	113,200	43,616	156,816	116,457	40,359
<b>Total Support Services Central Services</b>		<b>784,000</b>	<b>(39,200)</b>	<b>744,800</b>	<b>725,750</b>	<b>19,050</b>	<b>687,200</b>	<b>84,616</b>	<b>771,816</b>	<b>711,097</b>	<b>60,719</b>
<b>Support Services Administrative Information Technology:</b>											
Salaries	11-000-252-100	144,100	970	145,070	145,070		144,100	(6,000)	138,100	135,643	2,457
Other Purchased Professional Services	11-000-252-330		38,215	38,215	29,488	8,727					
Other Purchased Services	11-000-252-500	22,000	785	22,785	22,785		38,000	7,130	45,130	45,130	
Supplies and Materials	11-000-252-600	99,000	(47,900)	51,100	51,100		93,000	(9,630)	83,370	78,970	4,400
Other Objects	11-000-252-800	47,000	8,900	55,900	50,956	4,944	46,000	2,500	48,500	48,149	351
<b>Total Support Services Administrative Information Technology</b>		<b>312,100</b>	<b>970</b>	<b>313,070</b>	<b>299,399</b>	<b>13,671</b>	<b>321,100</b>	<b>(6,000)</b>	<b>315,100</b>	<b>307,892</b>	<b>7,208</b>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	496,000	(63,464)	432,536	432,521	15	516,000	60,000	576,000	451,323	124,677
Cleaning, Repair & Maintenance Services	11-000-261-420	100,000	63,300	163,300	132,397	30,903	100,000	6,000	106,000	104,835	1,165
General Supplies	11-000-261-610	200,000	(1,100)	198,900	179,286	19,614	200,000	(6,000)	194,000	169,836	24,164
Other Objects	11-000-261-890	1,500		1,500	1,355	145	3,000		3,000	2,325	675
<b>Total Allowable Maintenance for School Facilities</b>		<b>797,500</b>	<b>(1,264)</b>	<b>796,236</b>	<b>745,559</b>	<b>50,677</b>	<b>819,000</b>	<b>60,000</b>	<b>879,000</b>	<b>728,319</b>	<b>150,681</b>
Operation & Maintenance of Plant:											
Salaries	11-000-262-100	907,963	(52,382)	855,581	840,554	15,027	862,700	14,458	877,158	823,803	53,355
Cleaning, Repair & Maintenance Services	11-000-262-420	56,000	17,000	73,000	61,900	11,100	66,000	(9,500)	56,500	38,928	17,572
Other Purchased Property Services	11-000-262-490	71,000	2,250	73,250	71,959	1,291	71,000	3,000	74,000	73,827	173
Insurance	11-000-262-520	126,518	(3,000)	123,518	118,031	5,487	124,925	(7,500)	117,425	116,181	1,244
General Supplies	11-000-262-610	220,000	(79,250)	140,750	125,425	15,325	220,000		220,000	155,416	64,584
Energy (Natural Gas)	11-000-262-621	434,000	2,500	436,500	254,738	181,762					
Energy (Electricity)	11-000-262-622	675,000		675,000	667,127	7,873	1,074,000	50,000	1,124,000	947,293	176,707
<b>Total Operation &amp; Maintenance of Plant</b>		<b>2,490,481</b>	<b>(112,882)</b>	<b>2,377,599</b>	<b>2,139,734</b>	<b>237,865</b>	<b>2,418,625</b>	<b>50,458</b>	<b>2,469,083</b>	<b>2,155,448</b>	<b>313,635</b>
Care & Upkeep of Grounds:											
General Supplies	11-000-263-610		21,200	21,200	12,230	8,970					
<b>Total Care &amp; Upkeep of Grounds</b>			<b>21,200</b>	<b>21,200</b>	<b>12,230</b>	<b>8,970</b>					
<b>Total Operation &amp; Maintenance of Plant Services &amp; Allowable Maintenance for School Facilities</b>		<b>3,287,981</b>	<b>(92,946)</b>	<b>3,195,035</b>	<b>2,897,523</b>	<b>297,512</b>	<b>3,237,625</b>	<b>110,458</b>	<b>3,348,083</b>	<b>2,883,767</b>	<b>464,316</b>
Student Transportation Services:											
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162						578,000	226,242	804,242	804,242	
Cleaning, Repair & Maintenance Services	11-000-270-420						73,000	99,825	172,825	172,825	
Miscellaneous Purchased Services - Transportation	11-000-270-593						62,000	(11,825)	50,175	45,597	4,578
Supplies and Materials	11-000-270-620						140,000	12,020	152,020	140,401	11,619
<b>Total Student Transportation Services</b>							<b>853,000</b>	<b>326,262</b>	<b>1,179,262</b>	<b>1,163,065</b>	<b>16,197</b>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

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ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Unallocated Benefits Employee Benefits:											
Social Security Contributions	11-000-291-220	1,282,000		1,282,000	1,139,472	142,528	1,137,000	40,000	1,177,000	1,161,393	15,607
Other Retirement Contributions -											
Regular	11-000-291-241	880,000	106,000	986,000	984,724	1,276	1,180,000	(174,000)	1,006,000	800,825	205,175
Unemployment Compensation	11-000-291-250	100,000	35,000	135,000	132,221	2,779	85,000	19,000	104,000	103,187	813
Workmen's Compensation	11-000-291-260	650,000	(50,000)	600,000	592,302	7,698	650,000		650,000	588,246	61,754
Health Benefits	11-000-291-270	8,307,873	(331,769)	7,976,104	7,924,649	51,455	8,100,000	(63,156)	8,036,844	7,924,894	111,950
Tuition Reimbursement	11-000-291-280	53,000		53,000	52,975	25	52,000	1,020	53,020	53,020	
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>11,272,873</b>	<b>(240,769)</b>	<b>11,032,104</b>	<b>10,826,343</b>	<b>205,761</b>	<b>11,204,000</b>	<b>(177,136)</b>	<b>11,026,864</b>	<b>10,631,565</b>	<b>395,299</b>
Nonbudgeted:											
Reimbursed TPAF Pension Contributions					1,276,475	(1,276,475)				1,194,536	(1,194,536)
Reimbursed TPAF Social Security Contributions					1,509,945	(1,509,945)				1,465,456	(1,465,456)
<b>Total Undistributed Expenditures</b>		<b>18,722,385</b>	<b>(210,803)</b>	<b>18,511,582</b>	<b>20,667,146</b>	<b>(2,155,564)</b>	<b>19,302,048</b>	<b>379,994</b>	<b>19,682,042</b>	<b>21,012,914</b>	<b>(1,330,872)</b>
<b>Total Expenditures - Current Expense</b>		<b>39,427,610</b>	<b>23,655</b>	<b>39,451,265</b>	<b>41,404,895</b>	<b>(1,953,630)</b>	<b>41,188,068</b>		<b>41,188,068</b>	<b>41,844,394</b>	<b>(656,326)</b>
Capital Outlay:											
Increase in Capital Reserve	10-604	15,970		15,970		15,970	68,940		68,940		68,940
<b>Total Capital</b>		<b>15,970</b>		<b>15,970</b>		<b>15,970</b>	<b>68,940</b>		<b>68,940</b>		<b>68,940</b>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Capital Outlay	15,970		15,970		15,970	68,940		68,940		68,940
Special Schools:										
Adult Education - Local - Instruction:										
Salaries of Teachers	13-602-100-101	15,000	(4,000)	11,000	10,196	804	15,000	15,000	13,314	1,686
Other Salaries for Instruction	13-602-100-106	7,000	(5,000)	2,000	1,900	100	7,000	7,000	3,030	3,970
General Supplies	13-602-100-610	500		500		500	500	500		500
Total Adult Education - Local - Instruction		22,500	(9,000)	13,500	12,096	1,404	22,500	22,500	16,344	6,156
Total Special Schools		22,500	(9,000)	13,500	12,096	1,404	22,500	22,500	16,344	6,156
Total Expenditures		39,466,080	14,655	39,480,735	41,416,991	(1,936,256)	41,279,508	41,279,508	41,860,738	(581,230)
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures Before Other Financing Sources/(Uses)		710,000	(14,655)	695,345	1,158,356	463,011	700,000	700,000	(862,415)	(1,562,415)
Other Financing Sources/(Uses):										
Board Contribution to Food Service Fund		(710,000)	14,655	(695,345)	(695,256)	(89)	(700,000)	(700,000)	(696,758)	(3,242)
Total Other Financing Sources/(Uses)		(710,000)	14,655	(695,345)	(695,256)	(89)	(700,000)	(700,000)	(696,758)	(3,242)
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures After Other Financing Sources/(Uses)					463,100	463,100			(1,559,173)	(1,559,173)
Fund Balances, July 1		5,068,333		5,068,333	5,068,333		6,627,506	6,627,506	6,627,506	
Fund Balances, June 30		\$5,068,333	-	5,068,333	5,531,433	463,100	6,627,506	-	6,627,506	5,068,333 (1,559,173)

**RECAPITULATION OF FUND BALANCE:**

Reserved for Capital Reserve	\$1,390,507
Unrestricted Fund Balance	<u>4,140,926</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$5,531,433</u>





**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**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>\$42,575,347</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u><u>\$42,575,347</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$41,416,991</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u><u>\$41,416,991</u></u>

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



**OTHER SUPPLEMENTARY INFORMATION**



D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	2010	2009
Revenues:		
Other	\$ -	9,241
	<hr/>	<hr/>
Total Revenues	\$ -	9,241
	<hr/> <hr/>	<hr/> <hr/>
Support Services:		
Other Salaries	\$ -	9,241
	<hr/>	<hr/>
Total Support Services		9,241
	<hr/> <hr/>	<hr/> <hr/>
Total Expenditures	\$ -	9,241
	<hr/> <hr/>	<hr/> <hr/>



F. Capital Projects Fund

Not Applicable



## G. Proprietary Funds



Enterprise Funds



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET ASSETS**  
**AS OF JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

ASSETS	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	2010	2009
<b>Current Assets:</b>						
Cash & Cash Equivalents	\$99,189	9,505	95,037		203,731	613,171
Security Deposit				10,245	10,245	10,245
Interfund Receivable	102,740		50,000		152,740	
<b>Receivable:</b>						
State	1,424				1,424	1,268
Federal	28,616				28,616	23,289
Other (Net)		1,402		2,587,795	2,589,197	2,641,406
Inventories	12,592	5,734	820		19,146	31,902
<b>Total Current Assets</b>	<b>244,561</b>	<b>16,641</b>	<b>145,857</b>	<b>2,598,040</b>	<b>3,005,099</b>	<b>3,321,281</b>
<b>Fixed Assets:</b>						
Equipment	313,301	1,690	1,527	382,416	698,934	699,886
Less: Accumulated Depreciation	(172,679)	(1,690)	(1,527)	(330,636)	(506,532)	(460,460)
<b>Total Fixed Assets</b>	<b>140,622</b>			<b>51,780</b>	<b>192,402</b>	<b>239,426</b>
<b>Total Assets</b>	<b>385,183</b>	<b>16,641</b>	<b>145,857</b>	<b>2,649,820</b>	<b>3,197,501</b>	<b>3,560,707</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Cash Deficit				3,902,341	3,902,341	
Accounts Payable				461	461	35,368
Interfund Payables		8,152			8,152	683,047
<b>Total Liabilities</b>		<b>8,152</b>		<b>3,902,802</b>	<b>3,910,954</b>	<b>718,415</b>
<b>NET ASSETS</b>						
Unrestricted	244,561	8,489	145,857	(1,304,762)	(905,855)	2,602,866
Investment in Capital Assets Net of Related Debt	140,622			51,780	192,402	239,426
<b>Total Net Assets</b>	<b>\$385,183</b>	<b>8,489</b>	<b>145,857</b>	<b>(1,252,982)</b>	<b>(713,453)</b>	<b>2,842,292</b>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**AS OF JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	2010	2009
Operating Revenues:						
Local Sources:						
Daily Sales - Reimbursable Programs:						
School Lunch & Breakfast Programs	\$85,044				85,044	90,903
Daily Sales - Nonreimbursable Programs	219,927	84,995			304,922	386,983
Special Functions		24,282			24,282	42,112
Fees for Services				14,276,825	14,276,825	15,621,357
Other Revenue	9,098			77,809	86,907	601,423
Sale of Merchandise			17,835		17,835	18,066
<b>Total Operating Revenue</b>	<b>314,069</b>	<b>109,277</b>	<b>17,835</b>	<b>14,354,634</b>	<b>14,795,815</b>	<b>16,760,844</b>
Operating Expenses:						
Salaries & Wages	695,256			10,765,705	11,460,961	10,892,914
Purchased Professional Services				466,539	466,539	730,979
Telephone/Communication/Postage				20,912	20,912	27,761
Purchased Services - Transportation				6,100,535	6,100,535	5,689,514
Repairs	7,665			67,350	75,015	23,383
Supplies & Materials	24,496			54,975	79,471	194,124
Travel				18,337	18,337	22,519
Training & Seminars				15,895	15,895	56,351
Other Objects				247,309	247,309	195,134
Depreciation	9,108			36,964	46,072	49,855
Miscellaneous Expenditures	26,158			284,272	310,430	1,499,165
Cost of Sales	556,342	103,420	2,691		662,453	815,541
<b>Total Operating Expenses</b>	<b>1,319,025</b>	<b>103,420</b>	<b>2,691</b>	<b>18,078,793</b>	<b>19,503,929</b>	<b>20,197,240</b>
<b>Operating Gain/( Loss)</b>	<b>(1,004,956)</b>	<b>5,857</b>	<b>15,144</b>	<b>(3,724,159)</b>	<b>(4,708,114)</b>	<b>(3,436,396)</b>
Nonoperating Revenues:						
State Sources:						
State School Breakfast Program	7,359				7,359	7,449
State School Lunch Program	8,191				8,191	7,838
Extended School Nutrition Program	1,002				1,002	1,018
Federal Source:						
School Breakfast Program	108,015				108,015	98,046
National School Lunch Program	199,377				199,377	176,942
Extended School Nutrition Program	19,095				19,095	18,768
Food Distribution Program	38,866				38,866	39,297
Other Sources:						
BCIP Inclusion Project				53,832	53,832	52,435
Crisis Response				15,250	15,250	16,750
Interest Income	600	57	603	5,818	7,078	91,390
Operating Transfer In/(Out) General Fund						
Board Contribution - Salaries	695,256		(50,000)		645,256	696,758
Due From General Fund			50,000		50,000	
Board Contribution - Contributed Capital						90,621
Loss on Adjustment to Fixed Assets	(952)				(952)	
<b>Total Nonoperating Revenues/Expenses</b>	<b>1,076,809</b>	<b>57</b>	<b>603</b>	<b>74,900</b>	<b>1,152,369</b>	<b>1,297,312</b>
Changes in Net Assets	71,853	5,914	15,747	(3,649,259)	(3,555,745)	(2,139,084)
Total Net Assets-Beginning	313,330	2,575	130,110	2,396,277	2,842,292	4,981,376
Total Net Assets-Ending	\$385,183	8,489	145,857	(1,252,982)	(713,453)	2,842,292

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**AS OF JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	FOOD SERVICE FUND	HUMAN SERVICES FACILITY FOOD SERVICE FUND	SCHOOL STORE	EDUCATIONAL SERVICES UNIT	2010	2009
<b>Cash Flows From Operating Activities:</b>						
Receipts from Customers	\$216,011	107,875	17,835	14,403,563	14,745,284	17,263,381
Payments to Employees	(695,256)			(10,765,705)	(11,460,961)	(10,892,914)
Payments to Suppliers	(603,320)	(101,942)	(2,754)	(7,985,926)	(8,693,942)	(8,593,218)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(1,082,565)</b>	<b>5,933</b>	<b>15,081</b>	<b>(4,348,068)</b>	<b>(5,409,619)</b>	<b>(2,222,751)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>						
State Sources	16,396				16,396	16,305
Federal Sources	360,026				360,026	333,053
Other Sources				69,082	69,082	69,185
Operating Subsidies & Transfers to Other Funds	695,256		(50,000)		645,256	787,379
<b>Net Cash Provided/(Used) by Noncapital Financing Activities</b>	<b>1,071,678</b>		<b>(50,000)</b>	<b>69,082</b>	<b>1,090,760</b>	<b>1,205,922</b>
<b>Cash Flows From Capital &amp; Related Financing Activities:</b>						
Purchases of Capital Assets						(112,682)
<b>Net Cash Provided/(Used) by Capital &amp; Related Financing Activities</b>						<b>(112,682)</b>
<b>Cash Flows From Investing Activities:</b>						
Interest & Dividends	600	57	603	5,818	7,078	91,390
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>600</b>	<b>57</b>	<b>603</b>	<b>5,818</b>	<b>7,078</b>	<b>91,390</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(10,287)</b>	<b>5,990</b>	<b>(34,316)</b>	<b>(4,273,168)</b>	<b>(4,311,781)</b>	<b>(1,038,121)</b>
Balances - Beginning of Year	109,476	3,515	129,353	370,827	613,171	1,651,292
Balances - End of Year	\$99,189	9,505	95,037	(3,902,341)	(3,698,610)	613,171

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

Operating Income/(Loss)	(\$1,004,956)	5,857	15,144	(3,724,159)	(4,708,114)	(3,436,396)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:						
Depreciation & Net Amortization (Increase)/Decrease in Accounts Receivable, Net	9,108			36,964	46,072	49,855
(Increase)/Decrease in Inventories	(98,058)	(1,402)		48,929	(50,531)	502,537
(Increase)/Decrease in Prepaid Expenses	11,341	1,478	(63)		12,756	6,158
Increase/(Decrease) in Accounts Payable				(709,802)	(709,802)	658,304
<b>Total Adjustments</b>	<b>(77,609)</b>	<b>76</b>	<b>(63)</b>	<b>(623,909)</b>	<b>(701,505)</b>	<b>1,213,645</b>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(\$1,082,565)</b>	<b>5,933</b>	<b>15,081</b>	<b>(4,348,068)</b>	<b>(5,409,619)</b>	<b>(2,222,751)</b>



Internal Service Fund

Not Applicable



## H. Fiduciary Fund



**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	PRIVATE PURPOSE		AGENCY		2010	2009
	DONATIONS TRUST FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$59,563	6,057	60,858	502,486	628,964	1,469,430
Interfund Accounts Receivable General Fund		700,000	350,000		1,050,000	
<b>Total Assets</b>	<b>59,563</b>	<b>706,057</b>	<b>410,858</b>	<b>502,486</b>	<b>1,678,964</b>	<b>1,469,430</b>
<b>LIABILITIES</b>						
Payroll Deductions & Withholdings				292,277	292,277	290,935
Interfund Accounts Payable: General Fund				210,209	210,209	8,983
Due to Student Groups			410,858		410,858	413,679
<b>Total Liabilities</b>			<b>410,858</b>	<b>502,486</b>	<b>913,344</b>	<b>713,597</b>
<b>NET ASSETS</b>						
Reserved for Unemployment Claims		706,057			706,057	704,638
Reserved for Students	59,563				59,563	51,195
<b>Total Net Assets</b>	<b>\$59,563</b>	<b>706,057</b>			<b>765,620</b>	<b>755,833</b>

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

OPERATING REVENUES:	PRIVATE PURPOSE		2010	2009
	DONATION TRUST	UNEMPLOYMENT TRUST		
Local Sources:				
Donations	\$8,032		8,032	6,239
Total Operating Revenues	8,032		8,032	6,239
OPERATING EXPENSES:				
Student Awards & Celebrations				4,200
Total Operating Expenses				4,200
Operating Income/(Loss)	8,032		8,032	2,039
Nonoperating Revenue (Expenses):				
Interest Income	336	1,419	1,755	7,035
Net Income/(Loss)	8,368	1,419	9,787	9,074
Net Assets, July 1	51,195	704,638	755,833	746,759
Net Assets, June 30	\$59,563	706,057	765,620	755,833

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BALANCE JUNE 30, 2009	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2010
Athletic Events	\$27,347	88	2,069	25,366
South Campus	70,948	21,830	17,250	75,528
Vocational	22,775			22,775
High School	27,419	11,291	5,850	32,860
East Campus	63,275	6,849	6,584	63,540
Superstars Marching Band	20,326	2,200		22,526
Library	5,537			5,537
Lumberton Campus	16,281	1,236	5,570	11,947
Junior/Senior High School	37,297	4,558	5,408	36,447
Helping Hand	112,803	588	9,269	104,122
Yearbook	9,671	6,654	7,375	8,950
Transfer to General Fund			350,000	(350,000)
Due From General Fund		350,000		350,000
Interest		1,260		1,260
Inter School Transfers		(2,833)	(2,833)	
Total	\$413,679	403,721	406,542	410,858

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ASSETS	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
Cash & Cash Equivalents	\$299,918	39,508,544	39,305,976	502,486
Total Assets	<u>\$299,918</u>	<u>39,508,544</u>	<u>39,305,976</u>	<u>502,486</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$290,935	39,307,318	39,305,976	292,277
Interfund Accounts Payable:				
General Fund	8,983	201,226		210,209
Total Liabilities	<u>\$299,918</u>	<u>39,508,544</u>	<u>39,305,976</u>	<u>502,486</u>



I. Long-Term Debt

Not Applicable



**STATISTICAL SECTION (Unaudited)**



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

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

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

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Governmental Activities:								
Instruction:								
Special Education	\$20,624,676	20,725,888	20,870,679	19,989,078	18,807,380	18,720,015	16,236,732	12,557,469
Other Special Instruction	113,073	86,347	93,336	86,252	101,771	59,081	47,385	60,045
Other Special Instruction		19,245	32,436	15,195	14,640			
Support Services:								
Student & Instruction Related Services	891,235	766,603	761,648	825,173	789,265	782,682	968,854	3,673,410
School Administrative Services	968,279	684,626	871,142	758,816	636,670	736,531	698,586	726,437
General & Business Administrative Services	2,008,678	2,232,537	2,278,354	2,183,376	2,013,979	1,787,422	1,417,015	1,424,143
Plant Operations & Maintenance	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205	2,673,892	2,394,632	2,158,418
Pupil Transportation		1,163,065	887,618	765,317	635,865	469,592	418,169	329,109
Unallocated Benefits	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345	9,055,376	7,730,539	6,233,494
Unallocated Compensated Absences	(827,143)	125,502	44,222	96,193	36,754	(14,198)	185,779	328,193
Unallocated Contributed Capital	(39,928)		17,548					
Unallocated Depreciation	209,070	246,312	167,719	100,124	169,499	158,171	359,863	357,443
Transfer to Capital Reserve			43,381	250,000	1,458,016	283,726		
Special Schools	12,096	16,344	17,294	17,311	62,801	68,068	86,887	94,671
<b>Total Governmental Activities Expense</b>	<b>40,470,322</b>	<b>42,241,793</b>	<b>41,634,597</b>	<b>40,553,630</b>	<b>38,811,190</b>	<b>34,780,358</b>	<b>30,544,441</b>	<b>27,942,832</b>
Business-Type Activities:								
Food Service	1,423,397	1,560,527	1,490,230	1,497,491	1,445,534	1,325,307	1,450,450	1,299,057
School Store	2,691	3,357	6,140	5,051	2,210	7,844	13,510	10,943
Educational Services	18,078,793	18,633,356	16,829,518	12,863,952	12,078,868	11,966,212	11,532,700	10,913,861
<b>Total Business-Type Activities Expense</b>	<b>19,504,881</b>	<b>20,197,240</b>	<b>18,325,888</b>	<b>14,366,494</b>	<b>13,526,612</b>	<b>13,299,363</b>	<b>12,996,660</b>	<b>12,223,861</b>
<b>Total District Expenses</b>	<b>\$59,975,203</b>	<b>62,439,033</b>	<b>59,960,485</b>	<b>54,920,124</b>	<b>52,337,802</b>	<b>48,079,721</b>	<b>43,541,101</b>	<b>40,166,693</b>
Program Revenues:								
Governmental Activities:								
Operating Grants & Contributions	\$2,786,420	\$2,669,233	\$3,135,815	2,924,511	1,706,135	1,452,638	1,268,022	1,223,223
<b>Total Governmental Activities Program Revenues</b>	<b>2,786,420</b>	<b>2,669,233</b>	<b>3,135,815</b>	<b>2,924,511</b>	<b>1,706,135</b>	<b>1,452,638</b>	<b>1,268,022</b>	<b>1,223,223</b>
Business-Type Activities:								
Charges for Services:								
Food Service	423,346	519,998	500,786	425,968	451,592	436,655	446,609	558,385
School Store	17,835	18,066	23,160	14,920	9,371	11,009	10,023	12,478
Educational Services	14,354,634	16,222,780	15,242,618	14,135,389	13,168,775	12,489,294	11,917,922	11,468,501
Operating Grants & Contributions	450,987	418,543	446,065	434,534	427,097	396,966	473,324	402,460
<b>Total Business Type Activities Program Revenues</b>	<b>15,246,802</b>	<b>17,179,387</b>	<b>16,212,629</b>	<b>15,010,811</b>	<b>14,056,835</b>	<b>13,333,924</b>	<b>12,847,878</b>	<b>12,441,824</b>
<b>Total District Program Revenues</b>	<b>\$18,033,222</b>	<b>19,848,620</b>	<b>19,348,444</b>	<b>17,935,322</b>	<b>15,762,970</b>	<b>14,786,562</b>	<b>14,115,900</b>	<b>13,665,047</b>

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

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue:								
Governmental Activities	(\$37,683,902)	(39,572,560)	(38,498,782)	(37,629,119)	(37,105,055)	(33,327,720)	(29,276,419)	(26,719,609)
Business-Type Activities	(4,258,079)	(3,017,853)	(2,113,259)	644,317	530,223	34,561	(148,782)	217,963
<b>Total District-Wide Net Expense</b>	<b>(\$41,941,981)</b>	<b>(42,590,413)</b>	<b>(40,612,041)</b>	<b>(36,984,802)</b>	<b>(36,574,832)</b>	<b>(33,293,159)</b>	<b>(29,425,201)</b>	<b>(26,501,646)</b>
General Revenues & Other Changes in Net Assets:								
Governmental Activities:								
County Appropriation	\$4,800,000	4,800,000	4,800,000	4,800,000	4,100,000	4,100,000	4,100,000	1,875,000
Federal & State Aid Not Restricted	256,188	124,165	2,652,011	4,991,905	3,801,273	2,812,760	2,792,721	2,285,392
Tuition Received	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522	25,410,145	22,729,234	21,467,289
Tuition Charges	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948	2,510,330		
Non Resident Fecs	404,024	173,771	201,039	156,099	165,415	194,710	370,067	230,766
Miscellaneous Income	451,334	2,653,246	2,238,918	1,850,955	1,619,144	1,169,040	980,151	839,780
Capital Reserve			43,381	250,000	500,000			
Transfers	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)	(545,933)	(518,201)	(88,123)
Prior Year Accounts Receivable Cancelled						(265,389)		
Prior Year Accounts Payable Cancelled						11,037	54,233	
Contributed Capital		252,555		188,522	607,278	147,175	267,460	
<b>Total Governmental Activities</b>	<b>39,093,671</b>	<b>37,894,128</b>	<b>38,093,732</b>	<b>38,653,762</b>	<b>38,339,093</b>	<b>35,543,875</b>	<b>30,775,665</b>	<b>26,610,104</b>
Business-Type Activities:								
Investment Earnings	7,078	91,390	174,460	212,810	119,400	50,339	15,099	14,444
Contributed Capital		90,621	38,122					
Transfers	695,256	696,758	662,187	633,317	604,487	545,933	518,201	88,123
<b>Total Business-Type Activities</b>	<b>702,334</b>	<b>878,769</b>	<b>874,769</b>	<b>846,127</b>	<b>723,887</b>	<b>596,272</b>	<b>533,300</b>	<b>102,567</b>
<b>Total District-Wide</b>	<b>\$39,796,005</b>	<b>38,772,897</b>	<b>38,968,501</b>	<b>39,499,889</b>	<b>39,062,980</b>	<b>36,140,147</b>	<b>31,308,965</b>	<b>26,712,671</b>
Change in Net Assets:								
Governmental Activities	\$1,409,769	(1,678,432)	(405,050)	1,024,643	1,234,038	2,216,155	1,499,246	(109,505)
Business-Type Activities	(3,555,745)	(2,139,084)	(1,238,490)	1,490,444	1,254,110	630,833	384,518	320,530
<b>Total District</b>	<b>(\$2,145,976)</b>	<b>(3,817,516)</b>	<b>(1,643,540)</b>	<b>2,515,087</b>	<b>2,488,148</b>	<b>2,846,988</b>	<b>1,883,764</b>	<b>211,025</b>

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

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>								
Reserved	\$1,390,507	1,382,611	1,369,785	2,996,455	2,070,300	500,586	531	531
Unreserved	4,140,926	3,685,722	5,257,721	3,806,612	3,700,329	4,437,030	2,724,132	946,704
<b>Total General Fund</b>	<b>\$5,531,433</b>	<b>5,068,333</b>	<b>6,627,506</b>	<b>6,803,067</b>	<b>5,770,629</b>	<b>4,937,616</b>	<b>2,724,663</b>	<b>947,235</b>

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
County Appropriation	\$4,800,000	4,800,000	4,800,000	4,800,000	4,100,000	4,100,000	4,100,000	1,875,000	1,000,000	1,000,000
Tuition Charges	26,683,179	25,000,585	25,310,928	24,086,887	24,960,522	25,410,145	22,729,234	21,467,289	18,984,018	18,888,238
Other Tuition	7,194,202	5,586,564	3,509,642	2,962,711	3,189,948	2,510,330				
Nonresident Fees	404,024	173,771	201,039	156,099	165,415	194,710	370,067	230,766	208,961	166,408
Miscellaneous	451,334	2,653,246	2,238,918	1,850,955	1,619,144	1,169,040	980,151	839,780	351,203	260,054
State Sources	2,786,420	2,659,992	5,541,630	7,551,688	5,437,733	4,216,824	3,962,643	3,258,123	3,189,305	407,201
Federal Sources	256,188	133,406	246,196	364,728	69,675	48,574	98,100	250,492	319,874	537,090
<b>Total Revenues</b>	<b>42,575,347</b>	<b>41,007,564</b>	<b>41,848,353</b>	<b>41,773,068</b>	<b>39,542,437</b>	<b>37,649,623</b>	<b>32,240,195</b>	<b>27,921,450</b>	<b>24,053,361</b>	<b>21,258,991</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Special Education Instruction	20,624,676	20,725,888	20,870,679	19,989,078	18,807,380	18,720,015	16,236,732	12,557,469	11,976,646	11,978,206
Other Special Instruction	113,073	86,347	93,336	86,252	101,771	59,081	47,385	60,045	73,228	42,904
Other Instructional Programs		19,245	32,436	15,195	14,640					13,264
<b>Support Services &amp; Undistributed Costs:</b>										
<b>Student &amp; Instruction Related</b>										
Services	891,235	766,603	761,648	825,173	789,265	782,682	968,854	3,673,410	3,206,870	3,238,388
School Administrative Services	968,279	684,626	871,142	758,816	636,670	736,531	698,586	726,437	792,824	1,089,709
Other Administrative Services	2,297,346	2,232,537	2,278,354	2,183,376	2,013,979	1,787,422	1,417,015	1,424,143	1,029,803	725,785
Plant Operations & Maintenance	2,897,523	2,883,767	3,064,698	2,925,818	2,829,205	2,673,892	2,394,632	2,158,418	1,983,136	2,107,549
Pupil Transportation		1,163,065	887,618	765,317	635,865	469,592	418,169	329,109	320,460	336,014
Unallocated Benefits	13,612,763	13,291,557	12,484,522	12,540,977	11,255,345	9,055,376	7,730,539	6,233,494	5,987,326	4,693,171
Special Schools	12,096	16,344	17,294	17,311	62,801	68,068	86,887	94,671	110,347	114,330
Capital Outlay			43,381	250,000	1,458,016	283,726		17,207	19,202	81,000
<b>Total Expenditures</b>	<b>41,416,991</b>	<b>41,869,979</b>	<b>41,405,108</b>	<b>40,357,313</b>	<b>38,604,937</b>	<b>34,636,385</b>	<b>29,998,799</b>	<b>27,274,403</b>	<b>25,499,842</b>	<b>24,420,320</b>

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,158,356	(862,415)	443,245	1,415,755	937,500	3,013,238	2,241,396	647,047	(1,446,481)	(3,161,329)
Other Financing Sources/(Uses):										
Prior Year Accounts Payable Cancelled\ (Added)						11,037	54,233			(30,584)
Prior Years Accounts Receivable Cancelled						(265,389)				(7,887)
Increase in Capital Reserve			43,381	250,000	500,000					
Transfers In								255,372	319,000	500,000
Transfers Out	(695,256)	(696,758)	(662,187)	(633,317)	(604,487)	(545,933)	(518,201)	(343,495)	(457,795)	(437,610)
Total Other Financing Sources/(Uses)	(695,256)	(696,758)	(618,806)	(383,317)	(104,487)	(800,285)	(463,968)	(88,123)	(138,795)	23,919
Net Change in Fund Balances	\$463,100	(1,559,173)	(175,561)	1,032,438	833,013	2,212,953	1,777,428	558,924	(1,585,276)	(3,137,410)
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
2010	\$33,877,381	5,655,358	2,786,420	256,188	42,575,347
2009	30,587,149	7,617,776	2,659,992	133,406	40,998,323
2008	28,820,570	7,224,613	5,538,902	219,036	41,803,121
2007	27,049,598	6,792,489	7,549,738	339,033	41,730,858
2006	28,150,470	5,864,187	5,433,733	45,171	39,493,561
2005	27,920,475	5,463,750	4,216,824	48,574	37,649,623
2004	22,729,234	5,450,218	3,962,643	98,100	32,240,195
2003	21,467,289	2,945,546	3,258,123	250,492	27,921,450
2002	18,984,018	1,560,164	3,189,305	319,874	24,053,361
2001	18,888,238	1,426,463	3,040,111	537,090	23,891,902

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

Source: District Records.

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

N/A

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

N/A

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

N/A

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

EXHIBIT J-9

N/A

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

EXHIBIT J-10

N/A

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

EXHIBIT J-11

N/A

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2010**

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)
2009	446,108	N/A	8.5%
2008	445,492	46,564	5.0%
2007	446,314	45,463	3.8%
2006	447,131	43,551	4.1%
2005	446,462	40,795	3.7%
2004	446,041	39,606	4.1%
2003	442,581	37,982	4.2%
2002	436,318	37,299	4.6%
2001	429,655	36,912	4.6%
2000	424,547	35,279	3.2%

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
	<hr/>	
	16,613	
	<hr/> <hr/>	

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Special Education	395	411	434	433	432	444	439	410	390	380
Support Services:										
Student & Instruction Related Services	63	63	62	56	59	57	60	53	46	44
School Administrative Services	16	15	17	16	14	13	13	13	14	14
General & Business Administrative Services	11	3	3	3	3	3	3	3	4	3
Plant Operations & Maintenance	23	21	23	24	24	24	23	22	20	19
Pupil Transportation		7	7	1	1	1	1	1	1	1
Business & Other Support Services	3	10	10	10	10	10	10	11	9	9
Food Service	19	22	21	21	19	18	18	16	16	16
<b>Total</b>	<b>530</b>	<b>552</b>	<b>577</b>	<b>564</b>	<b>562</b>	<b>570</b>	<b>567</b>	<b>529</b>	<b>500</b>	<b>486</b>

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
2010	874	\$41,416,991	47,388	8.20%	137	6.2/1	873.8	776.2	-6.71%	-6.12%
2009	956	41,869,979	43,797	11.29%	138	6.9/1	936.6	826.8	-8.72%	-10.23%
2008	1,051	41,361,727	39,355	7.45%	156	6.7/1	1,026.1	921.0	-5.65%	-5.11%
2007	1,095	40,107,313	36,628	12.01%	163	6.7/1	1,087.6	970.6	-3.26%	-2.28%
2006	1,136	37,146,921	32,700	10.89%	162	7/1	1,124.3	993.2	-3.47%	-2.75%
2005	1,165	34,352,659	29,487	20.12%	166	7/1	1,164.7	1,021.3	-4.71%	-4.32%
2004	1,222	29,998,799	24,549	10.69%	175	7/1	1,222.3	1,067.4	-0.56%	-1.24%
2003	1,229	27,257,196	22,178	9.50%	212	5.8/1	1,229.2	1,080.8	-2.30%	-2.38%
2002	1,258	25,480,640	20,255	5.60%	N/A	N/A	1,258.1	1,107.1	-0.86%	0.69%
2001	1,269	24,339,320	19,180	9.81%	N/A	N/A	1,269.0	1,099.5	-0.15%	-0.34%

Sources: District records

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

DISTRICT BUILDINGS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
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	563	629	691	729	720	743	754	770	780	779
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	172	102	100	118	121	165	185	205	155	143
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	139	126	125	117	123	167	176	179	174	164

Number of Schools at June 30, 2010:

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
2010	\$83,532	454,475	207,552	745,559
2009	94,681	480,791	152,847	728,319
2008	82,641	471,046	272,711	826,398
2007	83,475	475,809	275,468	834,752
2006	71,723	408,821	236,684	717,228
2005	73,691	414,689	234,075	722,455
2004	64,759	365,521	206,331	636,611
2003	60,162	281,024	111,098	452,284
2002	56,637	284,117	83,712	424,466
2001	54,511	273,453	80,569	408,533
Total School Facilities	<u>\$725,812</u>	<u>3,909,746</u>	<u>1,861,047</u>	<u>6,496,605</u>

Source: District records

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2010**

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

Source: School District Records

**SINGLE AUDIT SECTION**





Certified Public Accountants & Consultants

EXHIBIT K-1

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

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

We have audited the financial statements of the Burlington County Special Services School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to indentify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings & Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No: 2010-03 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No: 2010-01 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Burlington County Special Services School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey as Finding No's: 2010-01 and 2010-03 in the accompanying *Schedule of Findings & Questioned Costs*.

We noticed certain matters that we have reported to the Burlington County Special Services School District in a separate *Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated October 22, 2010.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey  
October 22, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

**Compliance**

We have audited the compliance of Burlington County Special Services School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and New Jersey Compliance Manual *State Grants Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2010. Burlington County Special Services School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Burlington County Special Services School District's management. Our responsibility is to express an opinion on Burlington County Special Services School District's compliance based on our audit.

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

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In our opinion, the Board of Education of the Burlington County Special Services School District, County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2010.

### **Internal Control Over Compliance**

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

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding No. 2010-03 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding No. 2010-01 to be a significant deficiency.

Burlington County Special Services School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Burlington County Special Services School District's responses and, accordingly, we express no opinion to the responses.

This report is intended for the information of the management of the Board of Education of the Burlington County Special Services School District, the New Jersey State Department of Education,

other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with a large initial "K" and "F".

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

Medford, New Jersey  
October 22, 2010



BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2009	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DUE TO GRANTOR AT JUNE 30, 2010
<b>U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>									
<b>General Fund:</b>									
Medical Assistance Program	93.778		256,188	9/1/09-8/31/10		256,188	(256,188)		
Total U.S. Department of Labor						256,188	(256,188)		
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>									
Enterprise Funds:									
School Breakfast Program	10.553		\$98,046	7/1/08-6/30/09	(\$8,407)	8,407			
School Breakfast Program	10.553		108,015	7/1/09-6/30/10		98,403	(108,015)	(9,612)	
National School Lunch Program	10.555		176,943	7/1/08-6/30/09	(14,881)	14,881			
National School Lunch Program	10.555		199,377	7/1/09-6/30/10		181,299	(199,377)	(18,078)	
Summer Food Service Program for Children	10.559		19,095	7/1/09-6/30/10		18,169	(19,095)	(926)	
Food Distribution Program	10.550		38,866	7/1/09-6/30/10		38,866	(38,866)		
Total U.S. Department of Agriculture					(23,288)	360,025	(365,353)	(28,616)	
Total Federal Financial Assistance					(\$23,288)	616,213	(621,541)	(28,616)	-

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		BUDGETARY EXPENDITURES	(ACCOUNTS	MEMO	
				AT JUNE 30, 2009	CASH RECEIVED		RECEIVABLE)	AT JUNE 30, 2010	BUDGETARY RECEIVABLE
<b>State Department of Education:</b>									
General Fund:									
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	09-495-034-5095-051	\$1,465,456	7/1/08-6/30/09	(\$74,184)	74,184				
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	10-495-034-5095-051	1,509,945	7/1/09-6/30/10		1,434,827	(1,509,945)	(75,118)		1,509,945
Reimbursed TPAF Pension Contributions (Nonbudgeted)	10-495-034-5095-050	1,276,475	7/1/09-6/30/10		1,276,475	(1,276,475)			1,276,475
Enterprise Funds:									
Food Service Fund:									
National School Lunch Program (State Share)	10-100-010-3360-067	8,191	7/1/09-6/30/10		7,454	(8,191)	(737)		8,191
National School Lunch Program (State Share)	09-100-010-3360-067	7,838	7/1/08-6/30/09	(649)	649				
National School Breakfast Program (State Share)	10-100-010-3360-296	7,359	7/1/09-6/30/10		6,713	(7,359)	(646)		7,359
National School Breakfast Program (State Share)	09-100-010-3360-296	7,449	7/1/08-6/30/09	(619)	619				
Summer Food Service Program for Children	N/A	1,002	7/1/09-6/30/10		961	(1,002)	(41)		1,002
Total State Department of Education					(75,452)	2,801,882	(2,802,972)	(76,542)	2,802,972
Total State Financial Assistance					(\$75,452)	2,801,882	(2,802,972)	(76,542)	- 2,802,972

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2010**

**Note 1. General**

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

**Note 2. Basis of Accounting**

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

**Note 3. Relationship to Basic Financial Statements**

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

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

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010**

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

	<b>State</b>	<b>Federal</b>	<b>Total</b>
General Fund	\$2,786,420	\$256,188	\$3,042,608
Proprietary Funds	<u>16,552</u>	<u>365,353</u>	<u>381,905</u>
Total Financial Assistance	<u>\$2,802,972</u>	<u>\$621,541</u>	<u>\$3,424,513</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. 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, 2010. 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, 2010.

**Note 6. Federal and State Loans Outstanding**

The Burlington County Special Services School District had no loan balances outstanding at June 30, 2010.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	Yes
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?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance With 510(A) of Circular A-133	No

**Identification of major programs:**

CFDA Number(s)	Name of Federal Program or Cluster
10.555	National School Lunch Program
10.553	School Breakfast Program
10.559	Summer Food Service Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

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

**State Awards**

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

**Identification of major programs:**

GMIS Number(s)	Name of State Program
10-495-034-5095-002	TPAF Social Security Contributions

**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*.

**Finding 2010-01:**

**Criteria or Specific Requirement:**

In order for the District to ensure that that the payroll agency disbursements are being paid timely in the proper amounts and to the proper agencies, the balance in the agency account must be reconciled and analyzed monthly.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-01 (continued):**

**Condition:**

No attempt was made to analyze the payroll agency account.

**Context:**

The analysis of payroll taxes is performed in order to ensure that agency payments are made timely and accurately.

**Effect:**

The District risks making late or incorrect payments if the analysis is not performed timely.

**Cause:**

Lack of understanding by District employees as to the importance of this analysis.

**Recommendation:**

That an analysis of the payroll agency account be immediately be brought up to date and maintained on a monthly basis.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

**Finding 2010-02:**

**Criteria or Specific Requirement:**

The District's enterprise funds should be self supporting.

**Condition:**

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

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-02 (continued):**

**Context:**

We noted during our audit that the Educational Services Unit enterprise fund had a deficit fund balance of \$(1,252,982) at the end of the fiscal year.

**Effect:**

A deficit fund balance raises concern of enterprise funds ability to self operate.

**Cause:**

Lack of proper and timely review of the financial operations and results of the Educational Services Unit.

**Recommendation:**

That the District implement a plan to fund the deficit fund balance in the Educational Services Unit enterprise fund and ensure that the fund be self supporting.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

**Finding 2010-03:**

**Criteria or Specific Requirement:**

The Treasurer's report and bank reconciliations should be performed on a timely basis.

**Condition:**

The Treasurer's cash reconciliations were not compared to the District's general ledgers on a timely basis.

**Context:**

The Treasurer's report was only an analysis of the cash activity posted to the District's general ledger, thus no attempt was made to reconcile the general ledger cash to the District's bank accounts.

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-03 (continued):**

**Effect:**

The lack of timely Treasurer's Reports does not allow the District to properly identify any potential cash problems and may cause a misstatement of the cash balance of the District.

**Cause:**

Lack of understanding by District employees as to the importance of timely reconciliations of the District's bank accounts.

**Recommendation:**

That the Treasurer reconciles his cash records with the reconciled bank statements and the cash records of the Board Secretary on a monthly basis.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

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

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

No Current Year Findings

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET  
For the Fiscal Year Ended June 30, 2010**

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

**Finding 2008-01:**

**Condition:**

No attempt was made to analyze the agency account until three months after the fiscal year had ended.

**Current Status:**

This condition has not been corrected by the District.

**BURLINGTON COUNTY SPECIAL SERVICES  
SCHOOL DISTRICT**

Mt. Holly, New Jersey  
County of Burlington

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
for the Year Ended June 30, 2010**



**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Certified Public Accountants & Consultants

**REPORT OF INDEPENDENT AUDITORS  
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

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

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Burlington County Special Services School District in the County of Burlington for the year ended June 30, 2010, and have issued our report thereon dated October 22, 2010.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Burlington County Special Services School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

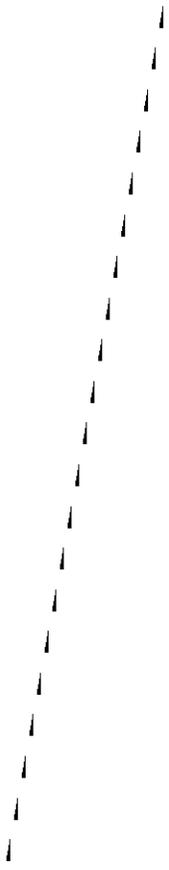
Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

Kevin P. Frenia  
Public School Accountant  
No. 1011

Medford, New Jersey  
October 22, 2010





Certified Public Accountants & Consultants

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

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/Business Administrator and Treasurer of School Monies, the activities of the Burlington County Special Services School District, the records of the General Fund, Special Revenue Fund, Proprietary Funds and Account Groups under the auspices of the Burlington County Special Services School District.

**Administrative Practices and Procedures**

**Insurance**

Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

**Official Bonds**

The following positions were covered by Surety Bonds:

<b>Name</b>	<b>Position</b>	<b>Amount</b>
Theresa Margiotta	Board Secretary	\$100,000
Robert L. Sapp	Treasurer of School Monies	350,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all employees with multiple coverage of \$25,000 per occurrence.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

## **Payroll Account**

The Board maintained the Net Payroll and Agency Account Method for the depositing and payment of its payrolls. The net payrolls from all sources are deposited in the payroll account and all payroll deductions, together with the Board's share, are deposited to the agency account.

Salary withholdings were promptly remitted to the proper agencies. The President, Superintendent and Secretary certified all payrolls.

The following was noted:

### **Finding 2010-01:**

No attempt was made to analyze the payroll agency account.

### **Recommendation:**

That an analysis of the payroll agency account be immediately be brought up to date and maintained on a monthly basis.

## **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered. Unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services rendered as of June 30.

Audit tests indicated that issued and unpaid purchase orders were properly classified in accordance with general accepted accounting principles.

## **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.6:20-2(M)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

## **Board Secretary/Business Administrator's Records**

The financial records, books of accounts and minutes maintained by the Board Secretary/Business Administrator were found with the following exception:

### **Finding 2010-02:**

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

**Board Secretary/Business Administrator's Records (continued):**

**Recommendation:**

That the District implement a plan to fund the deficit fund balance in the Educational Services Unit enterprise fund and ensure that the fund be self supporting.

**Treasurer's Records**

The Treasurer's records were examined and were in agreement with the records the Board Secretary.

The following exception was noted:

**Finding 2010-03:**

The Treasurer's cash reconciliations were not compared to the District's general ledgers on a timely basis.

**Recommendation:**

That the Treasurer reconciles his cash records with the reconciled bank statements and the cash records of the Board Secretary on a monthly basis.

**GAAP Accounting Implementation**

The School District's double entry system of accounting records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to *N.J.S.A.18A:4-14* and *N.J.A.C.6:20-2A*.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. Exhibit "H-2" sets forth the activity of this fund for the period under review.

**School Debt as of June 30, 2010**

The financial accounting for school debt and the annual debt service expenditures for principal and interest are maintained in the records of the County of Burlington.

**Other Special Federal and/or State Projects**

The Burlington County Special Services School District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

## **Other Special Federal and/or State Projects (continued):**

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for Burlington County Special Services School District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

*N.J.S.A.18A:18A-3* states:

- a) "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$21,000, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1071, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$29,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
  
- b) Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in *N.J.S.18A:18A-2* (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made."

*N.J.S.A.18A:18A-4* - Every contract for the performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A.18A:18A-3* except by contract or agreement.

Effective July 1, 2005 and thereafter the bid thresholds in accordance with *N.J.S.A.18A:18A-3* (as amended) and *18A:39-3* are \$21,000.00 and \$15,000.00 respectively.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year (contract year for July 1, 2005 and thereafter).

### **School Purchasing Programs (continued):**

Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

The system of records did not provide for an accumulation of purchases for which the school Burlington County Special Services School District used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

### **School Food Service**

The financial transactions and statistical records of the school food services were maintained in satisfactory. The financial accounts, meal count records and eligibility applications were reviewed on a test check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were filed timely.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications was completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

The cash disbursements records reflected expenditures for program related goods and services. Districts with food service management companies are depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and *19-1* through *19-4.1*. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the school food service. Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis.

**School Food Service (continued):**

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

**Student Body Activities**

The student activity records were in satisfactory condition.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2009 Application for State School Aid (A.S.S.A.) for On-Roll, private schools for the handicapped and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our procedures included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year findings. There were no prior year findings noted.

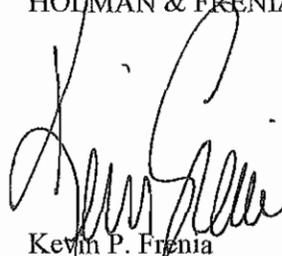
**Acknowledgment**

We received the complete cooperation of all the officials of the school Burlington County Special Services School District and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or should you desire any assistance, please call me.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia", written over the printed name below.

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

Medford, New Jersey  
October 22, 2010



**ADDITIONAL INFORMATION**



SCHEDULE OF AUDITED ENROLLMENTS

BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2010

	2010-2011 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected		Verified Per Registers		Errors Per	
	On Roll		On Roll		Full	Shared	From Workpapers		On Roll		Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Six	1		1				1		1			
Seven	1		1				1		1			
Eight	3		3				3		3			
Nine												
Ten	2		2				2		2			
Eleven												
Twelve	2		2				2		2			
Subtotal	9		9				9		9			
Sp Ed - Elementary	208		208				208		208			
Sp Ed - Middle School	142		142				142		142			
Sp Ed - High School	491		491				491		491			
Subtotal	841		841				841		841			
Totals	850		850				850		850			

