Atlantic County Special Services School District Board of Education
Mays Landing, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011
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Introductory Section
October 20, 2011

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

Dear Board Members and Constituents
of Atlantic County Special Services School District:

The comprehensive annual financial report of the Atlantic County Special Services School District (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 organizational chart and a list of principal officials. The financial section includes the basic financial statements, required supplemental information, and other supplementary information, 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 Single Audit Act of 1984, OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, and State Treasury Circular Letter 04-04 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The District is a component unit of the County of Atlantic within the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. All funds and account groups of the District are included in this report. The Atlantic County Special Services Board of Education, a component unit of the County of Atlantic, constitutes the District’s reporting entity.

The mission of the Atlantic County Special Services School District is to provide innovative educational programs and related services for students with special needs ages 3 to 21 who meet eligibility requirements. This will be accomplished by offering specialized, individualized instruction aligned with the New Jersey Core Curriculum Content Standards to meet academic,
vocational, functional, physical, and emotional student needs. Essential programs will be
developed in collaboration with educational and human services agencies by planning,
coordinating, assisting and/or implementing countywide programs as appropriate.

In addition to a wide range of on-campus and off-campus programs for enrolled students, the
Board of Education provides itinerant shared services including occupational therapy, physical
therapy, speech/language therapy, counseling, consultation, and child study team evaluation to
students in Local Educational Agencies. An educational component is provided for the youth at
the JINS shelter, and both educational and nursing services are provided to the youth at the
Harborfields juvenile detention facility.

2) ECONOMIC CONDITION AND OUTLOOK: The current budget crisis in New Jersey
continues to have a major impact on the state’s educational system, given budget cuts made
during the 2010/2011 school year, and additional budget restrictions likely in the future.
Although our district does not directly receive state aid or stimulus funds, the cuts to our sending
districts have had an impact on our budget planning, particularly in light of decreased student
enrollment. We will continue to closely monitor actual student enrollment numbers, modify
spending as needed, and gather data to effectively project tuition revenues for the 2012/2013
budget.

3) MAJOR INITIATIVES: A district-wide School Climate initiative is being continued this
year, with an emphasis on increasing student success through effectively balancing academic and
life skills instruction, career education, and social-emotional learning. This initiative includes a
comprehensive plan for staff development through the implementation of Professional Learning
Communities, and the implementation of new curriculum programs in Science, Social Studies,
and Social-Emotional Learning.

In response to identified needs from our sending districts, and the ongoing state Department of
Education initiative to consolidate services, our district will strive to increase itinerant/shared
services offerings to Local Educational Agencies, including the continuation of a Multiply
Disabled Host Class in the Brigantine School District.

A high percentage of multiply disabled students presenting with severe behavior problems are
referred to our district. Comprehensive staff development activities, including Non-Violent
Crisis Intervention training and the Olweus bullying prevention program, serve to provide
consistent frameworks within which to address behavior issues and facilitate the development of
pro-social skills. In addition, we have developed policies and are implementing procedures to
address the new state Harassment, Intimidation and Bullying (HIB) mandates.

Our School to Career education program continues to grow, offering disabled students in
Atlantic County the opportunity to receive real-life, meaningful work experiences in their home
communities. This year’s list of Community-based Partners included the Harrah’s family of
casinos, Atlantic City Regional Medical Center (City and Mainland divisions), the Richard
Stockton College of New Jersey, Shore Memorial Hospital, Meadowview Nursing Home,
Atlantic/Cape Community College, the Atlantic County Library, the Atlantic County Parks and
Recreation Department, the Food Bank Community of New Jersey, and Sears at the Hamilton Mall.

4) 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 principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District management.

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

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

5) 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 Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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

7) DEBT ADMINISTRATION: In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.
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 1(F) and 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. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(F), Notes to the Financial Statements.

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 on property and contents, and fidelity bonds.

10) OTHER INFORMATION:
A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of the Swartz & Co., LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:
We would like to express our appreciation to the members of the Atlantic County Special Services School Board 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,

[Signatures]

Lizbeth Buoro
Superintendent

Lisa Mooney, CPA
Business Administrator/
Board Secretary
### Members of the Board of Education

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<th>Term Expires</th>
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<td>2011</td>
</tr>
<tr>
<td>Marilyn Gallagher, Vice President</td>
<td>2011</td>
</tr>
<tr>
<td>Sarah Beth Johnson</td>
<td>2011</td>
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<td>Judith Gallagher</td>
<td>2011</td>
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<td>Ruth Tunnell</td>
<td>2011</td>
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<td>Joseph F. Zondlo</td>
<td>2011</td>
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<td>Thomas Dowd</td>
<td>Ex-officio</td>
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### Other Officials

- Lizabeth Buoro, Superintendent
- Terri Nowotny CPA, Board Secretary/Business Administrator (through June 17, 2011)
- Diane Bitting, Interim Board Secretary/Business Administrator (June 27, 2011 through August 9, 2011)
- Lisa Mooney, CPA, Board Secretary/Business Administrator (effective August 8, 2011)
- Valerie Ritson, Assistant Board Secretary
- Charles Beirne, Treasurer
ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
Consultants and Advisors

Architect of Record
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Mount Laurel, NJ 08054

Alan Schmoll
Capehart & Scatchard, P.A.
Laurel Corporate Center
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Mount Laurel, NJ 08054

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Ocean City Home Bank
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Mays Landing, NJ 08330
Insurance Agent

New Jersey School Boards Assn. Insurance Group
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Burlington, NJ 08016

Jeffery Dunn
Glenn Insurance
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Absecon, NJ 08201

School Physicians

Harborview-Kids First
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Somers Point, NJ 08244

David Horn, M.D.
Jennifer Winnell, M.D.
Children’s Surgical Association of New Jersey
Richard D. Wood Center 2nd Floor
34th Street & Civic Center Blvd.
Philadelphia, PA 19104

Barry D. Glasser, M.D.
Brigantine Towne Center
4248 Harbor Beach Blvd.
Brigantine, NJ 08203
Financial Section
INDEPENDENT AUDITOR’S REPORT

The Honorable President and
Members of the Board of Education
Atlantic County Special Services School
County of Atlantic
Mays Landing, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Atlantic County Special Services School’s management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 basic 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 Atlantic County Special Services School District, in the County of Atlantic, State of New Jersey as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof 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 20, 2011 on our consideration of the Atlantic County Special Services School Board of Education’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management’s Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents are not a required part of the basic 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 required 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 Atlantic County Special Services School Board of Education’s basic financial statements. The introductory section, combining fund financial statements, financial schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of Federal Awards and 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 also not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables 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.

Kenneth Moore, CPA  
Licensed Public School Accountant  
No. CS00499

Swartz & Co., LLC  
Swartz & Co., LLC  
Certified Public Accountants  
October 20, 2011
Required Supplemental Information
Part I
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Atlantic County Special Services School District’s (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

FINANCIAL HIGHLIGHTS

• The net assets of the District decreased approximately $1,200,000 due to an excess of expenditures over revenues.
• The State of New Jersey reimbursed the District $619,558 during the fiscal year ended June 30, 2011 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed $547,277 for TPAF Pension Contributions on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
• During the fiscal year ended June 30, 2011, the District’s governmental activities expenditures were approximately $330,000 more than total revenues. During the prior fiscal year, expenditures exceeded revenues by approximately $550,000.
• In the District’s business-type activities, net assets decreased $937,000 as a result of an excess of expenditures over revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for special revenue, proprietary, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the District.

• The first two statements are government-wide financial statements that provide both long-term and short-term information about the District’s overall financial status.
• The remaining statements are fund financial statements that focus on individual parts of the District’s government, reporting on the District’s operations in more detail than the government-wide statements.
  ➢ The governmental funds statements tell how general government services like instruction were financed in the short term as well as what remains for future spending.
  ➢ Proprietary fund statements offer short- and long-term financial information about the activities the District operates like businesses, such as the food service area.
Fiduciary fund statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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## Major Features of Atlantic County Special Services School District’s
Government-wide and Fund Financial Statements  
*(Figure A-1)*

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<th>Government wide Statements</th>
<th>Governmental Funds</th>
<th>Proprietary Funds</th>
<th>Fiduciary Funds</th>
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<td><strong>Scope</strong></td>
<td>Entire District (except fiduciary funds)</td>
<td>The activities of the District that are not proprietary or fiduciary, such as food service and student activities</td>
<td>Activities the District operates similar to private businesses; food service and construction enterprise</td>
<td>Instances in which the District is the trustee or agent for someone else’s resources, such as payroll agency and student activities.</td>
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<td>Modified accrual accounting and current financial resources focus</td>
<td>Accrual accounting and economic resources focus</td>
<td>Accrual accounting and economic resources focus</td>
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<td>Type of asset/liability information</td>
<td>All assets and liabilities, both financial and capital, and short-term and long-term.</td>
<td>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.</td>
<td>All assets and liabilities, both financial and capital, and short-term and long-term.</td>
<td>All assets and liabilities, both short-term and long-term.</td>
</tr>
<tr>
<td>Type of inflow/outflow information</td>
<td>All revenues and expenses during the year, regardless of when cash is received or paid.</td>
<td>Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter</td>
<td>All revenues and expenses, regardless of when cash is received or paid.</td>
<td>All revenues and expenses during year, regardless of when cash is received or paid.</td>
</tr>
</tbody>
</table>

**Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s *net assets* and how they have changed. Net assets – the difference between the District’s assets and liabilities – is one way to measure the District’s financial health, or *position*.

- Over time, increases or decreases in the District’s net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the County’s property tax base and the condition of the District’s facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District’s basic services are included here, such as instruction, vocational education, administration, and plant operations. Tuition and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District’s food service, transportation enterprise fund, and Teachers Aide enterprise fund are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District’s most significant *funds* – not the District as a whole. Funds are accounting devices that the
District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- **Governmental funds** – Most of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

- **Proprietary funds** – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District’s *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

- **Fiduciary funds** – The District is the trustee, or *fiduciary*, for its employees’ unemployment compensation plan. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

*Net assets.* The District’s governmental activities net assets decreased between fiscal years 2011 and 2010 as a result of an excess of expenditures over revenues. The business-type activities net assets decreased due to the excess of expenses over revenues.
<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$ 5,131,970</td>
<td>$ 4,703,524</td>
</tr>
<tr>
<td>Capital assets</td>
<td>23,554,439</td>
<td>24,384,588</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>28,686,409</strong></td>
<td><strong>29,088,112</strong></td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>544,734</td>
<td>519,639</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>302,581</td>
<td>399,454</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>847,315</strong></td>
<td><strong>919,093</strong></td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>23,554,439</td>
<td>24,384,588</td>
</tr>
<tr>
<td>Restricted</td>
<td>220,876</td>
<td>282,157</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>4,063,779</td>
<td>3,502,274</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>27,839,094</strong></td>
<td><strong>28,169,019</strong></td>
</tr>
</tbody>
</table>

**Changes in net assets.** The total revenue of the District decreased approximately $50,000 due to a decrease in revenues of the enterprise funds.

Approximately 57% of the District’s revenue comes from tuition contracts with various districts within Atlantic County and the surrounding Counties. The County of Atlantic levies property taxes on properties located in the county. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County’s annual budget and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$ 1,980,000</td>
<td>6.36%</td>
<td>$ 1,980,000</td>
<td>6.35%</td>
</tr>
<tr>
<td>Unrestricted State aid</td>
<td>1,316,894</td>
<td>4.23%</td>
<td>1,293,710</td>
<td>4.15%</td>
</tr>
<tr>
<td>Tuition</td>
<td>17,736,399</td>
<td>57.01%</td>
<td>17,521,091</td>
<td>56.23%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>9,701,081</td>
<td>31.18%</td>
<td>9,738,020</td>
<td>31.25%</td>
</tr>
<tr>
<td>Operating Grants and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>224,870</td>
<td>0.72%</td>
<td>483,271</td>
<td>1.55%</td>
</tr>
<tr>
<td>Other</td>
<td>153,623</td>
<td>0.49%</td>
<td>145,901</td>
<td>0.47%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>31,112,867</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>31,161,993</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
# Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2011 and 2010 fiscal years.

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>17,736,399</td>
<td>17,521,091</td>
<td>9,701,081</td>
</tr>
<tr>
<td>Federal grants</td>
<td>-</td>
<td>60,760</td>
<td>212,264</td>
</tr>
<tr>
<td>State and Local Grants</td>
<td>9,783</td>
<td>190,836</td>
<td>2,823</td>
</tr>
<tr>
<td>General revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>1,980,000</td>
<td>1,980,000</td>
<td>1,980,000</td>
</tr>
<tr>
<td>State aid entitlements</td>
<td>1,316,894</td>
<td>1,293,710</td>
<td>1,316,894</td>
</tr>
<tr>
<td>Other</td>
<td>151,855</td>
<td>140,179</td>
<td>1,768</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>21,194,931</td>
<td>21,186,576</td>
<td>9,917,936</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other special instruction</td>
<td>11,149,057</td>
<td>11,576,216</td>
<td>11,149,057</td>
</tr>
<tr>
<td>Other instruction</td>
<td>1,103,773</td>
<td>1,087,259</td>
<td>1,103,773</td>
</tr>
<tr>
<td>Support services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student &amp; instruction related</td>
<td>4,251,924</td>
<td>4,333,611</td>
<td>4,251,924</td>
</tr>
<tr>
<td>District administration services</td>
<td>1,090,689</td>
<td>912,734</td>
<td>1,090,689</td>
</tr>
<tr>
<td>General &amp; business admin</td>
<td>1,601,949</td>
<td>1,497,142</td>
<td>1,601,949</td>
</tr>
<tr>
<td>Plant operations &amp; maintenance</td>
<td>2,196,979</td>
<td>2,137,797</td>
<td>2,196,979</td>
</tr>
<tr>
<td>Pupil transportation</td>
<td>56,145</td>
<td>61,297</td>
<td>56,145</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>2,067</td>
<td>-</td>
</tr>
<tr>
<td><strong>Business-type activities</strong></td>
<td></td>
<td></td>
<td>10,929,719</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>21,450,516</td>
<td>21,608,123</td>
<td>10,929,719</td>
</tr>
<tr>
<td>(Deficiency) before Transfers</td>
<td>(255,585)</td>
<td>(421,547)</td>
<td>(1,011,783)</td>
</tr>
<tr>
<td>Transfers</td>
<td>74,340</td>
<td>128,078</td>
<td>74,340</td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in net assets</strong></td>
<td>(329,925)</td>
<td>(549,625)</td>
<td>(937,443)</td>
</tr>
</tbody>
</table>
**Business-type Activities**

Revenues of the District’s business-type activities decreased approximately 1% when compared to the previous fiscal year while expenditures increased 1% over the past fiscal year.

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

As of the year end, the governmental funds reported a combined fund balance of $4,829,389 which is $525,319 higher than the beginning of the year. The most significant increases are in the tuition charges and an increase in the SEMI program.

**General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District’s budget revenue exceeded the actual revenues by $213,050. This is a result of a smaller student population than anticipated. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by $1,702,664. The most significant variances occurred in the area of salaries. Audit exhibit C-1 does not include current year depreciation expense.
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the District had invested $25.3 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of $821,407 or 3%, over last year.

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 636,272</td>
<td>$ 636,272</td>
<td>73,500</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>24,467</td>
<td>3,975</td>
<td>-</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>775,929</td>
<td>908,200</td>
<td>1,344,361</td>
</tr>
<tr>
<td>Total</td>
<td>$ 23,554,439</td>
<td>24,384,588</td>
<td>1,790,147</td>
</tr>
</tbody>
</table>

Long-term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. The District is party to a capital lease for the purchase of school buses. Refer to the Note 6 to the Financial Statements for more detailed information.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The District budget for the 2012 fiscal year includes very little expansion for equipment acquisitions.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, sending districts, and creditors) with a general overview of the District’s finances and to demonstrate the District’s accountability. If you have questions about the report or need additional financial information, contact the District’s business administrator at 4805 Nawakwa Boulevard, Mays Landing, New Jersey 08330.
The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2011.
The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-like funds as of June 30, 2011.
### Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  

**Statement of Net Assets**  
6/30/2011

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 4,989,016</td>
<td>1,369,310</td>
<td>6,358,326</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>38,716</td>
<td>1,143,032</td>
<td>1,181,748</td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td>30,014</td>
<td>30,014</td>
</tr>
<tr>
<td>Internal Balances</td>
<td>930</td>
<td>(930)</td>
<td>-</td>
</tr>
<tr>
<td>Due from Agency Fund</td>
<td>5,845</td>
<td></td>
<td>5,845</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>97,463</td>
<td></td>
<td>97,463</td>
</tr>
<tr>
<td><strong>Capital assets not being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>636,272</td>
<td>73,500</td>
<td>709,772</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>24,467</td>
<td></td>
<td>24,467</td>
</tr>
<tr>
<td><strong>Capital assets, net of accumulated depreciation</strong></td>
<td>22,893,700</td>
<td>1,716,647</td>
<td>24,610,347</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>28,686,409</td>
<td>4,331,573</td>
<td>33,017,982</td>
</tr>
</tbody>
</table>

|                     |                         |                          |               |
| **LIABILITIES**     |                         |                          |               |
| Other payables      | 141,795                 | 58,203                   | 199,998       |
| Deferred Revenues   | 5,419                   |                          | 5,419         |
| Intergovernmental payable | 155,367             |                          | 155,367       |
| **Noncurrent liabilities:** |                 |                          |               |
| Due within one year | 70,328                  | 267,694                  | 338,022       |
| Due beyond one year | 474,406                 | 338,635                  | 813,041       |
| **Total liabilities** | 847,315               | 664,532                  | 1,511,847     |

|                     |                         |                          |               |
| **NET ASSETS**      |                         |                          |               |
| Invested in capital assets, net of related debt | 23,554,439          | 1,398,487                | 24,952,926    |
| Restricted for:     |                         |                          |               |
| Other purposes      | 220,876                 |                          | 220,876       |
| Unrestricted        | 4,063,779               | 2,268,554                | 6,332,333     |
| **Total net assets** | $ 27,839,094         | 3,667,041                | 31,506,135    |

See Accompanying Notes to the Financial Statements
## Exhibit A-2

Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Activities  
For the Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Indirect Expenses</th>
<th>Operating Charges for Services</th>
<th>Allocation</th>
<th>Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other special instruction</td>
<td>8,220,873</td>
<td>17,736,399</td>
<td>9,783</td>
<td>6,597,125</td>
<td>6,597,125</td>
<td>(1,103,773)</td>
<td></td>
</tr>
<tr>
<td>Other instruction</td>
<td>813,878</td>
<td></td>
<td></td>
<td>(1,103,773)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student &amp; instruction related services</td>
<td>3,135,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School administrative services</td>
<td>804,231</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and business administrative services</td>
<td>1,181,214</td>
<td></td>
<td></td>
<td></td>
<td>(1,601,949)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant operations and maintenance</td>
<td>1,619,965</td>
<td></td>
<td></td>
<td></td>
<td>(2,196,979)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pupil transportation</td>
<td>41,400</td>
<td></td>
<td></td>
<td></td>
<td>(56,145)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated benefits</td>
<td>5,633,755</td>
<td></td>
<td></td>
<td></td>
<td>(5,633,755)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>21,450,516</td>
<td>17,736,399</td>
<td>9,783</td>
<td></td>
<td>(3,704,334)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Service</td>
<td>673,023</td>
<td>257,233</td>
<td>215,087</td>
<td></td>
<td></td>
<td>(200,703)</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>7,022,680</td>
<td>6,576,257</td>
<td></td>
<td></td>
<td>(446,423)</td>
<td>(446,423)</td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>3,234,016</td>
<td>2,867,591</td>
<td></td>
<td></td>
<td>(366,425)</td>
<td>(366,425)</td>
<td></td>
</tr>
<tr>
<td><strong>Total business-type activities</strong></td>
<td>10,929,719</td>
<td>9,701,081</td>
<td>215,087</td>
<td></td>
<td>(1,013,551)</td>
<td>(1,013,551)</td>
<td></td>
</tr>
<tr>
<td><strong>Total primary government</strong></td>
<td>$32,380,235</td>
<td>$27,437,480</td>
<td>$224,870</td>
<td></td>
<td>(4,717,885)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**General revenues:**
- Taxes:  
  - Property taxes, levied for general purposes, net  
  - Federal and State aid not restricted  
  - Other restricted miscellaneous revenue  
  - Miscellaneous Income  
  - Transfers  
  - Cancellation of Prior Year Payables
- Total general revenues, special items, extraordinary items and transfers
- Change in Net Assets

Net Assets—beginning
Net Assets—ending

See Accompanying Notes to the Financial Statements
The combining and individual fund and account group statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

**Governmental Funds** - This section consists of the general fund and the special revenue funds.

**Proprietary Funds** - This section consists of the food service fund, the transportation enterprise fund, and the Teachers Aide enterprise fund. The proprietary fund is operated in a manner similar to a private business enterprise.

**Fiduciary Funds** - This section consists of the unemployment compensation insurance trust fund, the financial aid trust fund, the student activity fund, and the payroll agency fund.
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Balance Sheet  
Governmental Funds  
June 30, 2011

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,884,675</td>
<td>5,419</td>
<td>98,922</td>
<td>4,989,016</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>8,168</td>
<td></td>
<td>8,168</td>
<td></td>
</tr>
<tr>
<td>Receivables from other governments</td>
<td>37,014</td>
<td></td>
<td>37,014</td>
<td></td>
</tr>
<tr>
<td>Other Accounts Receivable</td>
<td></td>
<td>1,702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>97,463</td>
<td></td>
<td></td>
<td>97,463</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,027,320</td>
<td>7,121</td>
<td>98,922</td>
<td>5,133,363</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>141,486</td>
<td>309</td>
<td>141,795</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental payable</td>
<td>155,367</td>
<td></td>
<td>155,367</td>
<td></td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td></td>
<td>5,419</td>
<td></td>
<td>5,419</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>1,393</td>
<td></td>
<td>1,393</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>296,853</td>
<td>7,121</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>220,876</td>
<td></td>
<td></td>
<td>220,876</td>
</tr>
<tr>
<td>Designated for subsequent years expenditures</td>
<td>1,944,977</td>
<td></td>
<td>1,944,977</td>
<td></td>
</tr>
<tr>
<td>Unassigned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>2,564,614</td>
<td></td>
<td></td>
<td>2,564,614</td>
</tr>
<tr>
<td>Capital Projects fund</td>
<td></td>
<td></td>
<td>98,922</td>
<td>98,922</td>
</tr>
<tr>
<td>Total Fund balances</td>
<td>4,730,467</td>
<td></td>
<td>-</td>
<td>98,922</td>
</tr>
<tr>
<td>Total liabilities and fund balances</td>
<td>$5,027,320</td>
<td>7,121</td>
<td>98,922</td>
<td>$27,839,094</td>
</tr>
</tbody>
</table>

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.  
Some liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.  

Net assets of governmental activities  

$27,839,094

See Accompanying Notes to the Financial Statements
### Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local tax levy</td>
<td>$1,980,000</td>
<td></td>
<td></td>
<td>$1,980,000</td>
</tr>
<tr>
<td>Tuition - from LEAs</td>
<td>16,961,374</td>
<td></td>
<td></td>
<td>16,961,374</td>
</tr>
<tr>
<td>Other tuition</td>
<td>686,300</td>
<td></td>
<td></td>
<td>686,300</td>
</tr>
<tr>
<td>Non resident fees</td>
<td>88,725</td>
<td></td>
<td></td>
<td>88,725</td>
</tr>
<tr>
<td>Other restricted miscellaneous revenue</td>
<td>187</td>
<td></td>
<td></td>
<td>187</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>144,859</td>
<td>9,783</td>
<td></td>
<td>154,642</td>
</tr>
<tr>
<td>State sources</td>
<td>1,166,835</td>
<td></td>
<td></td>
<td>1,166,835</td>
</tr>
<tr>
<td>Federal sources</td>
<td>150,059</td>
<td></td>
<td></td>
<td>150,059</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>21,178,339</td>
<td>9,783</td>
<td></td>
<td>21,188,122</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other special instruction</td>
<td>7,731,844</td>
<td>9,112</td>
<td></td>
<td>7,740,956</td>
</tr>
<tr>
<td>Other instruction</td>
<td>766,366</td>
<td></td>
<td></td>
<td>766,366</td>
</tr>
<tr>
<td>Support services and undistributed costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student &amp; instruction related services</td>
<td>2,951,503</td>
<td>671</td>
<td></td>
<td>2,952,174</td>
</tr>
<tr>
<td>School administrative services</td>
<td>757,282</td>
<td></td>
<td></td>
<td>757,282</td>
</tr>
<tr>
<td>Other administrative services</td>
<td>369,917</td>
<td></td>
<td></td>
<td>369,917</td>
</tr>
<tr>
<td>Central Services</td>
<td>675,897</td>
<td></td>
<td></td>
<td>675,897</td>
</tr>
<tr>
<td>Admin Information Technology</td>
<td>66,443</td>
<td></td>
<td></td>
<td>66,443</td>
</tr>
<tr>
<td>Plant operations and maintenance</td>
<td>1,525,395</td>
<td></td>
<td></td>
<td>1,525,395</td>
</tr>
<tr>
<td>Pupil transportation</td>
<td>38,981</td>
<td></td>
<td></td>
<td>38,981</td>
</tr>
<tr>
<td>Unallocated Benefits</td>
<td>5,633,755</td>
<td></td>
<td></td>
<td>5,633,755</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>47,614</td>
<td></td>
<td></td>
<td>68,106</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>20,564,997</td>
<td>9,783</td>
<td>20,492</td>
<td>20,595,272</td>
</tr>
</tbody>
</table>

| Excess (Deficiency) of revenues over expenditures | 613,342 | - | (20,492) | 592,850 |

| **OTHER FINANCING SOURCES (USES)** |                      |                       |                       |                          |
| Cancellation of Prior Year Payables | 6,809 |                      |                       | 6,809                   |
| Increase in Capital Reserve        | 75,000 |                      |                       | 75,000                  |
| Transfer to Capital Reserve        | (75,000) | (75,000) |                       | (75,000)                |
| Transfers in                       | 119,414 | 119,414 |                       | 119,414                 |
| Transfers out                      | (193,754) | (193,754) |                       | (193,754)               |
| **Total other financing sources and uses** | (186,945) | 119,414 |                       | (67,531)                |

| Net change in fund balances        | 426,397 | - | 98,922 | 525,319 |
| Fund balance—July 1                | 4,304,070 | - | - | 4,304,070 |
| Fund balance—June 30               | $4,730,467 | - | 98,922 | 4,829,389 |

See Accompanying Notes to the Financial Statements
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
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, 2011

Total net change in fund balances - governmental funds (from B-2)  
$ 525,319

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 depreciation exceeded capital outlays in the period.

<table>
<thead>
<tr>
<th>Depreciation expense</th>
<th>(898,255)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital outlays</td>
<td>68,106</td>
</tr>
<tr>
<td></td>
<td>(830,149)</td>
</tr>
</tbody>
</table>

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 (+).

(25,095)

Change in net assets of governmental activities  
$ (329,925)
Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)

Statement of Net Assets
Proprietary Funds
June 30, 2011

Business-type Activities -
Enterprise Funds

<table>
<thead>
<tr>
<th>Food Service</th>
<th>Transportation</th>
<th>Teachers Aide Services</th>
<th>Non-Major Funds</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>444,720</td>
<td>740,682</td>
<td>183,908</td>
<td>1,369,310</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$10,677</td>
<td>746,131</td>
<td>279,749</td>
<td>1,143,032</td>
</tr>
<tr>
<td>Interfund Receivable</td>
<td></td>
<td>315,558</td>
<td>315,558</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>30,014</td>
<td></td>
<td></td>
<td>30,014</td>
</tr>
<tr>
<td>Total current assets</td>
<td>40,691</td>
<td>1,190,851</td>
<td>1,335,989</td>
<td>290,383</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and Improvements</td>
<td>73,500</td>
<td></td>
<td></td>
<td>73,500</td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td></td>
<td>510,210</td>
<td></td>
<td>510,210</td>
</tr>
<tr>
<td>Furniture, machinery &amp; equipment</td>
<td>584,587</td>
<td>3,425,821</td>
<td>4,010,408</td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(362,712)</td>
<td>(2,441,259)</td>
<td>(2,803,971)</td>
<td></td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>221,875</td>
<td>1,568,272</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>262,566</td>
<td>2,759,123</td>
<td>1,335,989</td>
<td>290,383</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>797</td>
<td>44,119</td>
<td>8,741</td>
<td>53,657</td>
</tr>
<tr>
<td>Interfund payable</td>
<td>315,558</td>
<td></td>
<td>930</td>
<td>316,488</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>763</td>
<td>2,242</td>
<td>1,541</td>
<td>4,546</td>
</tr>
<tr>
<td>Capital Lease Payable</td>
<td></td>
<td>267,694</td>
<td></td>
<td>267,694</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>317,118</td>
<td>314,055</td>
<td>1,541</td>
<td>9,671</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Lease Payable</td>
<td></td>
<td>123,966</td>
<td></td>
<td>123,966</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>11,020</td>
<td>203,649</td>
<td></td>
<td>214,669</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>11,020</td>
<td>327,615</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>328,138</td>
<td>641,670</td>
<td>1,541</td>
<td>9,671</td>
</tr>
</tbody>
</table>

NET ASSETS
Invested in capital assets net of related debt 221,875 1,176,612 1,398,487
Unrestricted (287,447) 940,841 1,334,448 280,712 2,268,554
Total net assets $ (65,572) 2,117,453 1,334,448 280,712 3,667,041

See Accompanying Notes to the Financial Statements

26
### Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)

#### Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended June 30, 2011

#### Proprietary Funds

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Food Service</td>
</tr>
<tr>
<td></td>
<td>Operating Revenues:</td>
</tr>
<tr>
<td></td>
<td>Charges for services:</td>
</tr>
<tr>
<td>Daily sales - reimbursable programs</td>
<td>$257,233</td>
</tr>
<tr>
<td>Transportation Fees</td>
<td>6,576,257</td>
</tr>
<tr>
<td>Fees for Service</td>
<td>2,119,577</td>
</tr>
<tr>
<td>County Aid Payments</td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$257,233</td>
</tr>
<tr>
<td></td>
<td>Operating expenses:</td>
</tr>
<tr>
<td></td>
<td>Cost of sales</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>215,863</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>155,486</td>
</tr>
<tr>
<td>Transportation Operations</td>
<td>797,879</td>
</tr>
<tr>
<td>Other objects</td>
<td>6,261</td>
</tr>
<tr>
<td>Interest</td>
<td>15,572</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>1,230,998</td>
</tr>
<tr>
<td>General Administrative Expenses</td>
<td>3,192</td>
</tr>
<tr>
<td>Travel</td>
<td>1,948</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>21,941</td>
</tr>
<tr>
<td>Depreciation</td>
<td>38,715</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>673,023</td>
</tr>
<tr>
<td></td>
<td>Operating income/(loss)</td>
</tr>
<tr>
<td></td>
<td>Transfers in</td>
</tr>
<tr>
<td>Operating transfer in - general fund</td>
<td>74,340</td>
</tr>
<tr>
<td>Operating transfer in - teachers aide fund</td>
<td>54,340</td>
</tr>
<tr>
<td>Operating transfer out - food service fund</td>
<td></td>
</tr>
<tr>
<td>Total transfers in</td>
<td>128,680</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(72,023)</td>
</tr>
<tr>
<td>Total net assets—beginning</td>
<td>6,451</td>
</tr>
<tr>
<td>Total net assets—ending</td>
<td>665,572</td>
</tr>
</tbody>
</table>

See Accompanying Notes to the Financial Statements
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Food Service</th>
<th>Transportation</th>
<th>Teachers Aide Services</th>
<th>Non-Major Funds</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$259,010</td>
<td>6,996,312</td>
<td>2,321,441</td>
<td>752,636</td>
<td>10,329,399</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(215,863)</td>
<td>(2,532,783)</td>
<td>(1,597,341)</td>
<td>(620,392)</td>
<td>(4,966,379)</td>
</tr>
<tr>
<td>Payments for benefits</td>
<td>(155,486)</td>
<td>(2,139,457)</td>
<td>(870,825)</td>
<td>(122,960)</td>
<td>(3,288,728)</td>
</tr>
<tr>
<td>Payments for suppliers</td>
<td>(238,493)</td>
<td>(2,042,177)</td>
<td>(81,586)</td>
<td>(36,231)</td>
<td>(2,398,487)</td>
</tr>
<tr>
<td>Net cash provided by/(used for) operating activities</td>
<td>(350,832)</td>
<td>281,895</td>
<td>(228,311)</td>
<td>(26,947)</td>
<td>(324,195)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Sources</td>
<td>3,913</td>
<td></td>
<td></td>
<td></td>
<td>3,913</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>209,360</td>
<td></td>
<td></td>
<td></td>
<td>209,360</td>
</tr>
<tr>
<td>Operating subsidies and transfers to other funds</td>
<td>137,559</td>
<td></td>
<td></td>
<td></td>
<td>137,559</td>
</tr>
<tr>
<td>Net cash provided by/(used for) non-capital financing activities</td>
<td>350,832</td>
<td>-</td>
<td>(4,666)</td>
<td>(58,553)</td>
<td>74,340</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of Capital Leases</td>
<td>(363,979)</td>
<td></td>
<td></td>
<td></td>
<td>(363,979)</td>
</tr>
<tr>
<td>Net cash (used for) capital and related financing activities</td>
<td>-</td>
<td>(363,979)</td>
<td>-</td>
<td>-</td>
<td>(363,979)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by (used for) investing activities</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>-</td>
<td>(82,084)</td>
<td>(232,977)</td>
<td>(85,500)</td>
<td>(400,561)</td>
</tr>
<tr>
<td>Balances—beginning of year</td>
<td>-</td>
<td>526,804</td>
<td>973,659</td>
<td>269,408</td>
<td>1,769,871</td>
</tr>
<tr>
<td>Balances—end of year</td>
<td>-</td>
<td>444,720</td>
<td>740,682</td>
<td>183,908</td>
<td>1,369,310</td>
</tr>
<tr>
<td>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit/loss</td>
<td>(415,790)</td>
<td>(446,423)</td>
<td>(351,781)</td>
<td>(14,644)</td>
<td>(1,228,638)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and net amortization</td>
<td>38,715</td>
<td>322,337</td>
<td></td>
<td></td>
<td>361,052</td>
</tr>
<tr>
<td>Federal Commodities</td>
<td>23,335</td>
<td></td>
<td></td>
<td></td>
<td>23,335</td>
</tr>
<tr>
<td>Cancellation of Prior Year Payables</td>
<td>-</td>
<td>1,768</td>
<td></td>
<td></td>
<td>1,768</td>
</tr>
<tr>
<td>(Increase)/Decrease in accounts receivable, net</td>
<td>1,777</td>
<td>418,287</td>
<td>201,864</td>
<td>4,622</td>
<td>626,550</td>
</tr>
<tr>
<td>Increase/(Decrease) in accounts payable</td>
<td>597</td>
<td>4,720</td>
<td>(79,935)</td>
<td>(17,855)</td>
<td>(92,473)</td>
</tr>
<tr>
<td>Decrease in Inventory</td>
<td>1,304</td>
<td></td>
<td></td>
<td></td>
<td>1,304</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Liabilities</td>
<td>(770)</td>
<td>(2,448)</td>
<td>1,541</td>
<td></td>
<td>(1,677)</td>
</tr>
<tr>
<td>Increase/(Decrease) in Compensated Absences</td>
<td>-</td>
<td>(16,346)</td>
<td></td>
<td></td>
<td>(16,346)</td>
</tr>
<tr>
<td>Increase/(Decrease) in Interfund Payable</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>930</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>64,958</td>
<td>728,318</td>
<td>123,470</td>
<td>(12,503)</td>
<td>904,443</td>
</tr>
<tr>
<td>Net cash provided by/(used for) operating activities</td>
<td>$ (350,832)</td>
<td>281,895</td>
<td>(228,311)</td>
<td>(26,947)</td>
<td>(324,195)</td>
</tr>
</tbody>
</table>

See Accompanying Notes to the Financial Statements
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Unemployment Compensation Trust</th>
<th>Agency Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$80,868</td>
<td>118,436</td>
<td>199,304</td>
</tr>
<tr>
<td>Due from the Payroll Agency Fund</td>
<td>10,680</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>91,548</td>
<td>118,436</td>
<td>209,984</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to the State of New Jersey</td>
<td>4,039</td>
<td></td>
<td>4,039</td>
</tr>
<tr>
<td>Due to Unemployment Compensation Trust</td>
<td>10,680</td>
<td>10,680</td>
<td></td>
</tr>
<tr>
<td>Due to General Fund</td>
<td>5,845</td>
<td>5,845</td>
<td></td>
</tr>
<tr>
<td>Payroll Deductions Payable</td>
<td>19,192</td>
<td>19,192</td>
<td></td>
</tr>
<tr>
<td>Payable to student groups</td>
<td>82,719</td>
<td>82,719</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,039</td>
<td>118,436</td>
<td>122,475</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held in trust for unemployment claims and other purposes</td>
<td>$87,509</td>
<td></td>
<td>87,509</td>
</tr>
</tbody>
</table>

See Accompanying Notes to the Financial Statements
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Unemployment Compensation Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS</strong></td>
</tr>
<tr>
<td>Contributions:</td>
</tr>
<tr>
<td>Employee Contributions</td>
</tr>
<tr>
<td>Total Contributions</td>
</tr>
<tr>
<td>Investment earnings:</td>
</tr>
<tr>
<td>Interest</td>
</tr>
<tr>
<td>Net investment earnings</td>
</tr>
<tr>
<td>Total additions</td>
</tr>
<tr>
<td><strong>DEDUCTIONS</strong></td>
</tr>
<tr>
<td>Unemployment claims</td>
</tr>
<tr>
<td>Miscellaneous</td>
</tr>
<tr>
<td>Total deductions</td>
</tr>
<tr>
<td>Change in net assets</td>
</tr>
<tr>
<td>Net assets—beginning of the year</td>
</tr>
<tr>
<td>Net assets—end of the year</td>
</tr>
</tbody>
</table>

See Accompanying Notes to the Financial Statements
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Atlantic County Special Services School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Atlantic County Special Services School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the 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. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

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. The Atlantic County Special Services School is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes component units.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:

This District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District’s general and special revenue activities are classified
as governmental activities. The District’s food service, transportation services, teachers aide service, schools to careers, Harborfields, itinerant services, child study team services and state programs enterprise are classified as business-type activities. Fiduciary funds are excluded from the government-wide financial statements.

In the governmental-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions and business-type activities (food service, transportation services, teachers aide service, schools to careers, Harborfields, itinerant services, child study team services and state programs enterprise). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (special instruction, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District allocates indirect costs such as depreciation expense and compensated absences.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District’s net assets resulting from the current year’s activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds’ measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances
Notes to the Financial Statements
June 30, 2011

of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

b. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from serial bonds issued by the County.

2. **Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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:

a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District’s enterprise fund is comprised of the following:

- **Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.
- **Transportation Fund** – This fund accounts for the revenues and expenses pertaining to the transportation services provided to other district within the State.
- **Itinerant Services Fund** – This fund accounts for the revenues and expenses pertaining to the various itinerant services provided to other districts within the County.
- **Child Study Team Fund** – This fund accounts for the revenues and expenses pertaining to the Child Study Team services provided to other districts within the County.
- **Teacher Aide Services** – This fund accounts for the revenues and expenses pertaining to the teacher aide services provided to students.
- **State Programs Fund** – This fund accounts for the revenues and expenses pertaining to the educational programs and services provided through a contract with the State of new Jersey, Department of Human Services, Juvenile Justice Commission.
- **Schools to Careers Fund** – This fund accounts for the revenues and expenses pertaining to the School to Careers Program that provides activities in a non-traditional community based system that ensures appropriate employment for the graduates.
• County Projects Fund – This fund accounts for the revenues and expenses pertaining to agreements with Atlantic County government to provide educational services for the County.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District’s fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.
E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

NJSA 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.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate).
3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2011, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$27,554</td>
</tr>
<tr>
<td>Supplies</td>
<td>2,460</td>
</tr>
<tr>
<td></td>
<td>$30,014</td>
</tr>
</tbody>
</table>

4. Capital Assets:

Capital assets purchased or acquired with an original cost of $2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20-50 years</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>5-10 years</td>
</tr>
<tr>
<td>Improvements</td>
<td>10-20 years</td>
</tr>
</tbody>
</table>

5. Fund Balances – Governmental Funds

The Atlantic County Special Services School District elected to implement GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District’s highest level of decision making authority.
Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

- **Assigned** – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator.

- **Unassigned** – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**6. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a county is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program.

Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**7. Expenditures:**

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.
8. 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 which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

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

9. Interfund Activity:

Inter-fund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

10. 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 approved by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2a.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board. The following significant budget transfers were approved during the year:
Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2011

<table>
<thead>
<tr>
<th>Description</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary Services - Salaries</td>
<td></td>
<td>134,615</td>
</tr>
<tr>
<td>Multiply Disabled - Other Salaries</td>
<td>70,443</td>
<td></td>
</tr>
<tr>
<td>Health Benefits</td>
<td>174,031</td>
<td></td>
</tr>
<tr>
<td>Required Maint. Of School Facilities - Cleaning</td>
<td>32,000</td>
<td></td>
</tr>
<tr>
<td>Required Maint. Of School Facilities - Salaries</td>
<td></td>
<td>30,500</td>
</tr>
<tr>
<td>Child Study team - Salaries of other Prof. Staff</td>
<td>61,488</td>
<td></td>
</tr>
<tr>
<td>Educational media/Sch. Library - Salaries</td>
<td>24,582</td>
<td></td>
</tr>
<tr>
<td>School Administration - Salaries of Principals</td>
<td></td>
<td>43,467</td>
</tr>
<tr>
<td>School Administration - Salaries of Secretarial</td>
<td>46,515</td>
<td></td>
</tr>
<tr>
<td>Operations &amp; Maint. Of School Facilities - Salaries</td>
<td>30,500</td>
<td></td>
</tr>
<tr>
<td>Energy - Electricity</td>
<td></td>
<td>44,000</td>
</tr>
<tr>
<td>Other Retirement Contributions</td>
<td></td>
<td>134,131</td>
</tr>
<tr>
<td>Transfer to Food Service - Board contribution</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>Autism - Salaries</td>
<td></td>
<td>40,077</td>
</tr>
<tr>
<td>Preschool - Other Salaries</td>
<td>57,677</td>
<td></td>
</tr>
<tr>
<td>Preschool - Salaries</td>
<td>125,000</td>
<td></td>
</tr>
<tr>
<td>Judgments Against the District</td>
<td></td>
<td>105,000</td>
</tr>
</tbody>
</table>

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. 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.

11. 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 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.

12. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

13. Use of Estimates

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

14. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the final expenditures by program.

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements” to improve financial reporting related to service concession arrangements (SCAs) which are a type of public-private or public-public partnership. This statement will become effective for fiscal periods beginning after December 15, 2011. This statement is not anticipated to have any effect on the District’s financial reporting.

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the District’s financial reporting.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”. The statement, which is effective for periods beginning after December 15, 2011, amends and supersedes several previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.
Atlantic County Special Services School  
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In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position”. The statement, which is effective for periods beginning after December 15, 2011, amends several previously issued GASB statements to standardize reporting of deferred inflows and outflows of financial resources. This statement is not anticipated to have any effect on the District’s financial reporting.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 64 “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53”. This statement, which is effective for fiscal periods beginning after June 15, 2011, is not anticipated to have any effect on the District’s financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2011, the District had no investments.

**Interest Rate Risk.** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

NOTE 3. CASH

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2011, $0 of the District’s bank balance of $6,048,108 was exposed to custodial credit risk.
NOTE 4. CAPITAL RESERVE FUND

A capital reserve account was established by the Atlantic County Special Services School Board of Education on September 28, 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. 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 a one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A-23:2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance, July 1, 2010</td>
<td>$ 265,103</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>187</td>
</tr>
<tr>
<td>Per Res. June 13, 2011</td>
<td>75,000</td>
</tr>
<tr>
<td>Transferred to Capital Projects Fund</td>
<td>(119,414)</td>
</tr>
<tr>
<td>Ending Balance, June 30, 2011</td>
<td>$ 220,876</td>
</tr>
</tbody>
</table>

{This space is intentionally left blank}
NOTE 5. FIXED ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets that are not</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$636,272</td>
<td></td>
<td></td>
<td>$636,272</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>3,975</td>
<td>20,492</td>
<td></td>
<td>24,467</td>
</tr>
<tr>
<td>Total capital assets not</td>
<td>640,247</td>
<td>20,492</td>
<td>-</td>
<td>660,739</td>
</tr>
<tr>
<td>being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bldg and bldg improve</td>
<td>28,706,059</td>
<td></td>
<td></td>
<td>28,706,059</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>3,142,338</td>
<td>47,614</td>
<td>(9,778)</td>
<td>3,180,174</td>
</tr>
<tr>
<td>Total at historical cost</td>
<td>31,848,397</td>
<td>47,614</td>
<td>(9,778)</td>
<td>31,886,233</td>
</tr>
<tr>
<td>Less accum depr for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bldg and improve</td>
<td>(5,869,918)</td>
<td>(718,370)</td>
<td></td>
<td>(6,588,288)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(2,234,138)</td>
<td>(179,885)</td>
<td></td>
<td>(2,404,245)</td>
</tr>
<tr>
<td>Total accum deprec</td>
<td>(8,104,056)</td>
<td>(898,255)</td>
<td>9,778</td>
<td>(8,992,533)</td>
</tr>
<tr>
<td>Total capital assets being</td>
<td>23,744,341</td>
<td>(850,641)</td>
<td>-</td>
<td>22,893,700</td>
</tr>
<tr>
<td>depr, net of accum depr</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td>24,384,588</td>
<td>(830,149)</td>
<td>-</td>
<td>23,554,439</td>
</tr>
<tr>
<td>capital assets, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets that are not</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$73,500</td>
<td></td>
<td></td>
<td>73,500</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total capital assets not</td>
<td>73,500</td>
<td></td>
<td></td>
<td>73,500</td>
</tr>
<tr>
<td>being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improve</td>
<td>510,210</td>
<td></td>
<td></td>
<td>510,210</td>
</tr>
<tr>
<td>Equipment</td>
<td>4,209,528</td>
<td>369,794</td>
<td>(568,914)</td>
<td>4,010,408</td>
</tr>
<tr>
<td>Less accum depr for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improve</td>
<td>(124,763)</td>
<td>(13,161)</td>
<td></td>
<td>(137,924)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(2,887,070)</td>
<td>(347,891)</td>
<td></td>
<td>(2,666,047)</td>
</tr>
<tr>
<td>Business-type activities</td>
<td>1,781,405</td>
<td>8,742</td>
<td>-</td>
<td>1,790,147</td>
</tr>
<tr>
<td>capital assets, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Depreciation expense is charged to governmental functions as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other special instruction</td>
<td>$466,874</td>
</tr>
<tr>
<td>Other instruction</td>
<td>$46,221</td>
</tr>
<tr>
<td>Student &amp; instruction related services</td>
<td>$178,052</td>
</tr>
<tr>
<td>School administrative expenses</td>
<td>$45,673</td>
</tr>
<tr>
<td>General and business administration</td>
<td>$67,083</td>
</tr>
<tr>
<td>Plant operations and maintenance</td>
<td>$92,000</td>
</tr>
<tr>
<td>Pupil Transportation</td>
<td>$2,352</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$898,255</strong></td>
</tr>
</tbody>
</table>

**NOTE 6. GENERAL LONG-TERM DEBT**

**Governmental Activities**

Long-term liability activity for the year ended June 30, 2011 was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance June 30, 2010</th>
<th>Issued</th>
<th>Retired</th>
<th>Balance June 30, 2011</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences</td>
<td>$519,639</td>
<td>79,355</td>
<td>54,260</td>
<td>544,734</td>
<td>70,328</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$519,639</strong></td>
<td><strong>79,355</strong></td>
<td><strong>54,260</strong></td>
<td><strong>544,734</strong></td>
<td><strong>70,328</strong></td>
</tr>
</tbody>
</table>

**Business Type Activities**

Long-term liability activity for the year ended June 30, 2011 was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance June 30, 2010</th>
<th>Issued</th>
<th>Retired</th>
<th>Balance June 30, 2011</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligations under Capital Leases</td>
<td>$385,845</td>
<td>369,794</td>
<td>363,979</td>
<td>391,660</td>
<td>267,694</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>$231,015</td>
<td>3,331</td>
<td>19,677</td>
<td>214,669</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$616,860</strong></td>
<td><strong>373,125</strong></td>
<td><strong>383,656</strong></td>
<td><strong>606,329</strong></td>
<td><strong>267,694</strong></td>
</tr>
</tbody>
</table>
Atlantic County Special Services School  
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**Capital Leases** – The District is leasing 7 Ford buses from TD Bank totaling $433,866 under a capital lease. Payments in the amount of $151,734 commenced December 22, 2009 and are due each December 22. The final payment is due December 22, 2011. Included in each payment is interest at 3.55% per annum.

The District is leasing 6 Ford buses from Suntrust Equipment Finance totaling $369,794 under a capital lease. Payments in the amount of $126,835 commenced December 23, 2010 and are due each December 23. The final payment is due December 23, 2012. Included in each payment is interest at 2.29% per annum.

The following is a schedule of the future minimum lease payments under the capital leases and the net minimum lease payments at June 30, 2011.

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>267,694</td>
<td>10,875</td>
<td>278,569</td>
</tr>
<tr>
<td>2013</td>
<td>123,966</td>
<td>2,869</td>
<td>126,835</td>
</tr>
<tr>
<td>Total</td>
<td>391,660</td>
<td>13,744</td>
<td>405,404</td>
</tr>
</tbody>
</table>

The following schedule lists the equipment, along with the accumulated depreciation, that has been obtained through capital leases:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>Remaining Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 School Buses</td>
<td>$803,660</td>
<td>150,171</td>
<td>653,489</td>
</tr>
</tbody>
</table>

**NOTE 7. PENSION PLANS**

*Description of Plans*

All required employees of the District are covered by either the Public Employees’ Retirement System or the Teacher’s Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans 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, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).
Teachers' Pension and Annuity Fund

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 non-contributing 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

The Public Employees' Retirement System 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 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.

Funding Policy

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 current TPAF rate is 5.5% and the PERS rate is 5.5% of covered payroll. The School District’s contributions to TPAF for the years ending June 30, 2011, 2010 and 2009 were $0, $0, and $0 respectively, and paid by the State of New Jersey on behalf of the board. The required contributions were not made by the State of New Jersey. The School District’s contributions to PERS for the years ending June 30, 2011, 2010 and 2009 were $903,107, $725,046, and $599,104 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey contributed $547,277, $535,983, and $520,079 respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board $619,558, $623,283, and $600,261 during the same fiscal years for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the
Atlantic County Special Services School  
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financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 8. 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, 2010, there were 87,288 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 $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 9. COMPENSATED ABSENCES

District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal year. Unused sick leave may be accumulated and carried forward to subsequent years. Upon retirement and who have not less than fifteen years of service in the District and at least 75 accumulated days, the district shall pay the employee for unused sick leave in accordance with the Districts’ agreements with various employee unions. Vacation days not used during the year may be carried forward to the subsequent year and upon the approval of the Board employees may be compensated for their unused vacation time.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Assets. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.
NOTE 10. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

- The Equitable
- Lincoln Investments
- Frank J. Siracusa & Sons
- Met Life
- Fidelity Investments
- Vanguard

NOTE 11. POSTEMPLOYMENT BENEFITS

In accordance with State statute, employees participating in the Public Employees’ Retirement System (PERS) or the Teachers’ Pension and Annuity Fund (TPAF) who retire after reaching age 55 and accumulating 25 years of credited service in either PERS or TPAF are eligible to receive post-retirement health care benefits. The cost of these benefits is actuarially determined and advance funded through contributions by the State. As of June 30, 2011 there were 8 employees who met the eligibility requirements for post-retirement health care benefits. The funded status and funding progress of post-retirement benefits is combined with the funded status and funding progress of pension benefits described in Note 8.

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2011 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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. This is a pay as you go plan and the District does not use any present value calculations to determine the estimated liability. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:
Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
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<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>District Contributions</th>
<th>Employee Contributions</th>
<th>Amount Reimbursed</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>$</td>
<td>34,956</td>
<td>36,732</td>
<td>87,509</td>
</tr>
<tr>
<td>2009-2010</td>
<td>-</td>
<td>40,431</td>
<td>18,532</td>
<td>89,285</td>
</tr>
<tr>
<td>2008-2009</td>
<td>-</td>
<td>50,739</td>
<td>41,269</td>
<td>67,386</td>
</tr>
</tbody>
</table>

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Interfund Receivable</th>
<th>Interfund Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 8,168</td>
<td></td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td></td>
<td>1,393</td>
</tr>
<tr>
<td>Non-major Proprietary funds</td>
<td></td>
<td>930</td>
</tr>
<tr>
<td>Fiduciary Funds</td>
<td></td>
<td>5,845</td>
</tr>
<tr>
<td>Total</td>
<td>$ 8,168</td>
<td>8,168</td>
</tr>
</tbody>
</table>

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies and to subsidize operating revenue in food service. During the 2011 fiscal year, the general fund made a permanent interfund transfer in the amount of $74,340 to the enterprise fund to partially cover accumulated deficits in the District food service program and a permanent interfund transfer to the Capital Projects Fund in the amount of $119,414 to cover the local costs of the capital project. It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 13. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District’s management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 14. FUND BALANCE APPROPRIATED

**General Fund** - Of the $4,730,467 General Fund balance at June 30, 2011, $1,944,977 has been appropriated and included as anticipated revenue for the year ending June 30, 2012; $220,876 has been reserved for future capital activity; and $2,564,614 is unreserved and undesignated.
NOTE 15. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 20, 2011, the date on which the financial statements were available to be issued, and no items other than described below were identified that require disclosure:

As of July 1, 2011 the Board of Education of the Atlantic County Special Services School District was merged with the Board of Education of the Atlantic County Vocational Technical School. Although the Districts share the same Board of Education, the financial activities of each district are maintained completely independently.

On September 20, 2011 the District entered into a 3 year lease agreement with Sun Trust Equipment Finance for the lease purchase of 7 Ford school buses at a cost of $366,747. The loan is payable in annual installment of $125,859 with the first payment due December 23, 2011. The lease bears an interest rate of 2.35% per annum.
Required Supplemental Information
Part II
The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and the special revenue funds.
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
</tbody>
</table>

### REVENUES:

#### Local Sources:
- **Local Tax Levy**
  - Original Budget: $1,980,000
  - Final Budget: $1,980,000
  - Actual: $1,980,000
  - Variance: (Negative) (363,305)
- **Tuition- from LEAs**
  - Original Budget: 17,324,679
  - Final Budget: 16,961,374
  - Actual: 16,961,374
  - Variance: (Negative) (363,305)
- **Other Tuition**
  - Original Budget: 710,000
  - Final Budget: 686,300
  - Actual: 686,300
  - Variance: (Negative) (23,700)
- **Non-Resident Fees**
  - Original Budget: 144,000
  - Final Budget: 88,725
  - Actual: 88,725
  - Variance: (Negative) (55,275)
- **Interest Earned on Capital Reserve Funds**
  - Original Budget: 120
  - Final Budget: 187
  - Actual: 187
  - Variance: 67
- **Miscellaneous**
  - Original Budget: 15,755
  - Final Budget: 144,859
  - Actual: 144,859
  - Variance: 129,104

#### Total - Local Sources:
- Original Budget: 20,174,554
- Final Budget: 20,174,554
- Actual: 19,861,445
- Variance: (313,109)

#### State Sources:
- **Reimbursed TPAF Social Security Contributions (non-budgeted)**
  - Original Budget: -
  - Final Budget: 619,558
  - Actual: 619,558
  - Variance: 619,558
- **On-behalf TPAF Contributions (non-budgeted)**
  - Original Budget: -
  - Final Budget: 547,277
  - Actual: 547,277
  - Variance: 547,277

#### Total - State Sources:
- Original Budget: -
- Final Budget: -
- Actual: 1,166,835
- Variance: 1,166,835

#### Federal Sources:
- **Medical Assistance Program**
  - Original Budget: 50,000
  - Final Budget: 50,000
  - Actual: 150,059
  - Variance: 100,059

#### Total - Federal Sources:
- Original Budget: 50,000
- Final Budget: 50,000
- Actual: 150,059
- Variance: 100,059

#### Total Revenues:
- Original Budget: 20,224,554
- Final Budget: 20,224,554
- Actual: 21,178,339
- Variance: 953,785
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

### EXPENDITURES:

**Current Expense:**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multiple Disabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>3,557,253</td>
<td>17,600</td>
<td>3,574,853</td>
<td>3,574,853</td>
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<td></td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>2,137,254</td>
<td>(70,443)</td>
<td>2,066,811</td>
<td>2,031,849</td>
<td>34,962</td>
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</tr>
<tr>
<td>Purchased Professional-Educational Services</td>
<td>8,000</td>
<td>-</td>
<td>8,000</td>
<td>460</td>
<td>7,540</td>
<td></td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>2,000</td>
<td>12,883</td>
<td>14,883</td>
<td>13,073</td>
<td>1,810</td>
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</tr>
<tr>
<td>General Supplies</td>
<td>111,748</td>
<td>-</td>
<td>111,748</td>
<td>79,726</td>
<td>32,022</td>
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</tr>
<tr>
<td>Textbooks</td>
<td>50,000</td>
<td>(12,883)</td>
<td>37,117</td>
<td>12,804</td>
<td>24,313</td>
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<tr>
<td>Other Objects</td>
<td>68,647</td>
<td>-</td>
<td>68,647</td>
<td>40,708</td>
<td>27,939</td>
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</tr>
<tr>
<td><strong>Total Multiple Disabilities</strong></td>
<td>5,934,902</td>
<td>(52,843)</td>
<td>5,882,059</td>
<td>5,753,473</td>
<td>128,586</td>
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</tr>
<tr>
<td><strong>Autism</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>239,721</td>
<td>-</td>
<td>239,721</td>
<td>229,316</td>
<td>10,405</td>
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</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>195,583</td>
<td>40,077</td>
<td>235,660</td>
<td>143,696</td>
<td>91,964</td>
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<tr>
<td>Purchased Professional-Educational Services</td>
<td>5,705</td>
<td>-</td>
<td>5,705</td>
<td>3,469</td>
<td>2,236</td>
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<tr>
<td>General Supplies</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>2,497</td>
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<tr>
<td>Textbooks</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>184</td>
<td>316</td>
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<tr>
<td>Other Objects</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
<td>678</td>
<td>1,322</td>
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<tr>
<td><strong>Total Autism</strong></td>
<td>446,009</td>
<td>40,077</td>
<td>486,086</td>
<td>379,840</td>
<td>106,246</td>
<td></td>
</tr>
<tr>
<td><strong>Preschool Disabilities - Full-Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>369,970</td>
<td>(125,000)</td>
<td>244,970</td>
<td>236,802</td>
<td>8,168</td>
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</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>396,015</td>
<td>(57,677)</td>
<td>338,338</td>
<td>250,611</td>
<td>87,727</td>
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<td>General Supplies</td>
<td>1,525</td>
<td>-</td>
<td>1,525</td>
<td>246</td>
<td>1,279</td>
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</tr>
<tr>
<td>Other Objects</td>
<td>6,694</td>
<td>-</td>
<td>6,694</td>
<td>911</td>
<td>5,783</td>
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</tr>
<tr>
<td><strong>Total Preschool Disabilities - Full-Time</strong></td>
<td>774,204</td>
<td>(182,677)</td>
<td>591,527</td>
<td>488,570</td>
<td>102,957</td>
<td></td>
</tr>
</tbody>
</table>
## Atlantic County Special Services School District

(A Component Unit of the County of Atlantic)

### Budgetary Comparison Schedule

#### General Fund

For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extended School Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>289,693</td>
<td>-</td>
<td>289,693</td>
<td>287,071</td>
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<tr>
<td>Other Salaries for Instruction</td>
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<td>-</td>
<td>233,050</td>
<td>217,201</td>
<td>15,849</td>
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<tr>
<td>Purchased Professional-Educational Services</td>
<td>6,335</td>
<td>-</td>
<td>6,335</td>
<td>-</td>
<td>6,335</td>
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</tr>
<tr>
<td>General Supplies</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
<td>5,649</td>
<td>351</td>
<td></td>
</tr>
<tr>
<td>Other Objects</td>
<td>10,633</td>
<td>18,900</td>
<td>29,533</td>
<td>23,113</td>
<td>6,420</td>
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<tr>
<td><strong>Total Extended School Year</strong></td>
<td>545,711</td>
<td>18,900</td>
<td>564,611</td>
<td>533,034</td>
<td>31,577</td>
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<tr>
<td><strong>Cognitive - Severe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>282,034</td>
<td>-</td>
<td>282,034</td>
<td>210,200</td>
<td>71,834</td>
<td></td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>196,465</td>
<td>-</td>
<td>196,465</td>
<td>170,163</td>
<td>26,302</td>
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<tr>
<td>Purchased Professional-Educational Services</td>
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<td>-</td>
<td>194,825</td>
<td>193,425</td>
<td>1,400</td>
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<tr>
<td>General Supplies</td>
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<td>-</td>
<td>3,220</td>
<td>1,592</td>
<td>1,628</td>
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<tr>
<td>Other Objects</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>1,547</td>
<td>953</td>
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</tr>
<tr>
<td><strong>Total Cognitive - Severe</strong></td>
<td>679,044</td>
<td>-</td>
<td>679,044</td>
<td>576,927</td>
<td>102,117</td>
<td></td>
</tr>
<tr>
<td><strong>Total Special Education - Instruction</strong></td>
<td>8,379,870</td>
<td>(176,543)</td>
<td>8,203,327</td>
<td>7,731,844</td>
<td>471,483</td>
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<tr>
<td><strong>Other Instructional Programs - Instruction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>711,460</td>
<td>937</td>
<td>712,397</td>
<td>700,625</td>
<td>11,772</td>
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</tr>
<tr>
<td>Supplies and Materials</td>
<td>232,16</td>
<td>-</td>
<td>232,16</td>
<td>15,962</td>
<td>7,254</td>
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</tr>
<tr>
<td>Other Objects</td>
<td>3,000</td>
<td>-</td>
<td>3,000</td>
<td>3,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Instructional Programs - Instruction</strong></td>
<td>737,676</td>
<td>937</td>
<td>738,613</td>
<td>719,587</td>
<td>19,026</td>
<td></td>
</tr>
</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Section</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Service Programs/Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>40,791</td>
<td>5,988</td>
<td>46,779</td>
<td>46,779</td>
<td>-</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>1,850</td>
<td>-</td>
<td>1,850</td>
<td>-</td>
<td>1,850</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>1,094</td>
<td>-</td>
<td>1,094</td>
<td>-</td>
<td>1,094</td>
</tr>
<tr>
<td>Other Objects</td>
<td>750</td>
<td>-</td>
<td>750</td>
<td>-</td>
<td>750</td>
</tr>
<tr>
<td>Total Community Service Programs/Operations</td>
<td>44,485</td>
<td>5,988</td>
<td>50,473</td>
<td>46,779</td>
<td>3,694</td>
</tr>
<tr>
<td>Total Instruction</td>
<td>9,162,031</td>
<td>(169,618)</td>
<td>8,992,413</td>
<td>8,498,210</td>
<td>494,203</td>
</tr>
<tr>
<td>Undistributed Expenditures - Health Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>385,641</td>
<td>-</td>
<td>385,641</td>
<td>374,048</td>
<td>11,593</td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>189,000</td>
<td>-</td>
<td>189,000</td>
<td>117,462</td>
<td>71,538</td>
</tr>
<tr>
<td>Supplies and Materials</td>
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<td>-</td>
<td>10,853</td>
<td>2,965</td>
<td>7,888</td>
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<tr>
<td>Other Objects</td>
<td>3,500</td>
<td>-</td>
<td>3,500</td>
<td>85</td>
<td>3,415</td>
</tr>
<tr>
<td>Total Undistributed Expenditures - Health Services</td>
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<td>-</td>
<td>588,994</td>
<td>494,560</td>
<td>94,434</td>
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<tr>
<td>Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT &amp; Related Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>864,725</td>
<td>(2,900)</td>
<td>881,825</td>
<td>845,526</td>
<td>16,299</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>7,427</td>
<td>-</td>
<td>7,427</td>
<td>7,324</td>
<td>103</td>
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<tr>
<td>Total Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT &amp; Related Services</td>
<td>872,152</td>
<td>(2,900)</td>
<td>889,252</td>
<td>852,850</td>
<td>16,402</td>
</tr>
<tr>
<td>Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Salaries</td>
<td>556,206</td>
<td>134,615</td>
<td>690,821</td>
<td>675,817</td>
<td>15,004</td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>7,500</td>
<td>(1,000)</td>
<td>6,500</td>
<td>2,882</td>
<td>3,618</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>4,500</td>
<td>1,000</td>
<td>5,500</td>
<td>5,424</td>
<td>76</td>
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<tr>
<td>Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services</td>
<td>568,206</td>
<td>134,615</td>
<td>702,821</td>
<td>684,123</td>
<td>18,698</td>
</tr>
</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undistributed Expenditures - Other Support Services - Students - Child Study Team:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Other Professional Staff</td>
<td>836,401</td>
<td>(61,488)</td>
<td>774,913</td>
<td>722,232</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistants</td>
<td>115,691</td>
<td>18,021</td>
<td>133,712</td>
<td>133,712</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>3,200</td>
<td>-</td>
<td>3,200</td>
<td>1,156</td>
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<tr>
<td>Supplies and Materials</td>
<td>7,847</td>
<td>-</td>
<td>7,847</td>
<td>1,142</td>
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<tr>
<td>Other Objects</td>
<td>30,000</td>
<td>-</td>
<td>30,000</td>
<td>24,944</td>
</tr>
<tr>
<td><strong>Total Undistributed Expenditures - Other Support Services - Students - Child Study Team:</strong></td>
<td>993,139</td>
<td>(43,467)</td>
<td>949,672</td>
<td>883,186</td>
</tr>
<tr>
<td>Undistributed Expenditures - Educational Media Serv./Sch. Library</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>30,582</td>
<td>(24,582)</td>
<td>6,000</td>
<td>5,472</td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>1,300</td>
<td>-</td>
<td>1,300</td>
<td>1,300</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>4,983</td>
<td>-</td>
<td>4,983</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Undistributed Expenditures - Edu. Media Serv/Sch Library</strong></td>
<td>41,865</td>
<td>(24,582)</td>
<td>17,283</td>
<td>16,755</td>
</tr>
<tr>
<td>Undistributed Expenditures - Instructional Staff Training Services</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>15,200</td>
<td>-</td>
<td>15,200</td>
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<tr>
<td>Other Purchased Services</td>
<td>17,000</td>
<td>-</td>
<td>17,000</td>
<td>-</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
<td>4,931</td>
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<td><strong>Total Undistributed Expenditures -Instructional Staff Training Services</strong></td>
<td>38,200</td>
<td>-</td>
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<td>Undistributed Expenditures - Support Services - Gen. Admin.:</td>
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<td></td>
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<tr>
<td>Salaries</td>
<td>182,959</td>
<td>2,900</td>
<td>185,859</td>
<td>185,859</td>
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<td>40,000</td>
<td>33,356</td>
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<td>Audit Fees</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>24,000</td>
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<tr>
<td>Other Purchased Professional Services</td>
<td>7,200</td>
<td>-</td>
<td>7,200</td>
<td>-</td>
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<tr>
<td>Communications/Telephone</td>
<td>53,000</td>
<td>-</td>
<td>53,000</td>
<td>50,342</td>
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</table>
### Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)

**Budgetary Comparison Schedule**

**General Fund**

For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Education Other Purchased Services</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>35</td>
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<td>Other Purchased Services</td>
<td>72,273</td>
<td>-</td>
<td>72,273</td>
<td>64,135</td>
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<td>11,500</td>
<td>-</td>
<td>11,500</td>
<td>3,416</td>
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<td>BOE In-House Training/Meeting Supplies</td>
<td>3,700</td>
<td>-</td>
<td>3,700</td>
<td>429</td>
<td>3,271</td>
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</tr>
<tr>
<td>Judgments Against the School District</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Miscellaneous Expenditures</td>
<td>4,900</td>
<td>-</td>
<td>4,900</td>
<td>2,224</td>
<td>2,676</td>
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<td>BOE Membership Dues and Fees</td>
<td>6,370</td>
<td>-</td>
<td>6,370</td>
<td>6,121</td>
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<td><strong>Total Undistributed Expenditures - Support Services - Gen. Admin.</strong></td>
<td>409,402</td>
<td>2,900</td>
<td>412,302</td>
<td>369,917</td>
<td>42,385</td>
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<td>Undistributed Expenditures - Support Serv. - School Admin.:</td>
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<tr>
<td>Salaries of Principals/Assistant Principals</td>
<td>393,883</td>
<td>43,467</td>
<td>437,350</td>
<td>437,350</td>
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<td>Salaries of Secretarial and Clerical Assistants</td>
<td>238,146</td>
<td>(46,515)</td>
<td>191,631</td>
<td>189,902</td>
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<td>10,500</td>
<td>105,000</td>
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<td>Other Purchased Services</td>
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<td>42,200</td>
<td>8,628</td>
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<td>-</td>
<td>20,200</td>
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<td>21,440</td>
<td>14,332</td>
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<td>4,860</td>
<td>2,120</td>
<td>2,740</td>
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<tr>
<td><strong>Total Undistributed Expenditures - Support Serv. - School Admin.</strong></td>
<td>693,589</td>
<td>101,952</td>
<td>795,541</td>
<td>757,282</td>
<td>38,259</td>
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<tr>
<td>Undistributed Expenditures - Central Services</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Salaries</td>
<td>641,641</td>
<td>-</td>
<td>641,641</td>
<td>612,522</td>
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<td>24,997</td>
<td>10,529</td>
<td>16,468</td>
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<td>Miscellaneous Purchased Services</td>
<td>24,500</td>
<td>-</td>
<td>24,500</td>
<td>16,875</td>
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<td>-</td>
<td>24,300</td>
<td>9,968</td>
<td>14,332</td>
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<td>-</td>
<td>2,500</td>
<td>2,064</td>
<td>436</td>
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<tr>
<td><strong>Total Undistributed Expenditures - Central Services</strong></td>
<td>737,938</td>
<td>-</td>
<td>737,938</td>
<td>675,897</td>
<td>62,041</td>
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<td>62,824</td>
<td>-</td>
<td>62,824</td>
<td>62,219</td>
<td>605</td>
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<td>Supplies and Materials</td>
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<td>-</td>
<td>5,000</td>
<td>4,224</td>
<td>776</td>
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<td><strong>Total Undistributed Expenditures - Admin. Info. Tech.</strong></td>
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<td>67,824</td>
<td>66,443</td>
<td>1,381</td>
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Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
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<tbody>
<tr>
<td><strong>Undistributed Expenditures</strong></td>
<td></td>
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<tr>
<td><strong>Required Maintenance for School</strong></td>
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<td>Facilities</td>
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<td>391,769</td>
<td>383,782</td>
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<td>211,637</td>
<td>(32,000)</td>
<td>179,637</td>
<td>167,546</td>
<td>12,091</td>
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<td>88,416</td>
<td>73,097</td>
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<td>12,798</td>
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<tr>
<td><strong>Total</strong></td>
<td>674,120</td>
<td>(1,500)</td>
<td>672,620</td>
<td>637,223</td>
<td>35,397</td>
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<td><strong>Operation and Maintenance</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for Plant Services</td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Salaries</td>
<td>253,225</td>
<td>(30,500)</td>
<td>222,725</td>
<td>184,826</td>
<td>37,899</td>
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<td>-</td>
<td>11,520</td>
<td>4,255</td>
<td>7,265</td>
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<tr>
<td>Technical Services</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning, Repair, and Maintenance</td>
<td>63,215</td>
<td>(12,000)</td>
<td>51,215</td>
<td>38,423</td>
<td>12,792</td>
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<td></td>
<td></td>
<td></td>
</tr>
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<td>Rental of Land &amp; Bldgs other than</td>
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<td>5,000</td>
<td>37,316</td>
<td>26,721</td>
<td>10,595</td>
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<td>Lease Purchase</td>
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<td></td>
<td></td>
</tr>
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<td>Other Purchased Property Services</td>
<td>37,708</td>
<td>-</td>
<td>37,708</td>
<td>26,776</td>
<td>10,932</td>
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<tr>
<td>General Supplies</td>
<td>31,000</td>
<td>44,000</td>
<td>354,000</td>
<td>354,000</td>
<td>-</td>
<td></td>
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<td>Energy (Electricity)</td>
<td>86,625</td>
<td>15,000</td>
<td>101,625</td>
<td>93,936</td>
<td>7,689</td>
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<td><strong>Total</strong></td>
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<td>21,500</td>
<td>821,109</td>
<td>733,937</td>
<td>87,172</td>
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<td><strong>Care &amp; Upkeep of Grounds</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning, Repair, and Maintenance</td>
<td>30,750</td>
<td>-</td>
<td>30,750</td>
<td>14,938</td>
<td>15,812</td>
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<td>Services</td>
<td>11,339</td>
<td>-</td>
<td>11,339</td>
<td>10,524</td>
<td>815</td>
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</tr>
<tr>
<td>General Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42,089</td>
<td>-</td>
<td>42,089</td>
<td>25,462</td>
<td>16,627</td>
<td></td>
</tr>
<tr>
<td><strong>Security</strong></td>
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<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>77,320</td>
<td>-</td>
<td>77,320</td>
<td>76,577</td>
<td>743</td>
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<td>Purchased Professional and</td>
<td>49,576</td>
<td>-</td>
<td>49,576</td>
<td>49,576</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Technical Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>3,780</td>
<td>-</td>
<td>3,780</td>
<td>2,620</td>
<td>1,160</td>
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<td><strong>Total</strong></td>
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<td>-</td>
<td>130,676</td>
<td>128,773</td>
<td>1,903</td>
<td></td>
</tr>
</tbody>
</table>
# Exhibit C-1

## Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)

### Budgetary Comparison Schedule

#### General Fund

**For the Fiscal Year Ended June 30, 2011**

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undistributed Expenditures - Student Transportation Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracted Services - (Other than Between Home and School) - Vendors</td>
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<td>-</td>
<td>55,000</td>
<td>38,981</td>
<td>16,019</td>
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<td>Other Objects</td>
<td>7,757</td>
<td>-</td>
<td>7,757</td>
<td>-</td>
<td>7,757</td>
</tr>
<tr>
<td><strong>Total Undistributed Expenditures - Student Transportation Serv.</strong></td>
<td>62,757</td>
<td>-</td>
<td>62,757</td>
<td>38,981</td>
<td>23,776</td>
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<tr>
<td>Unallocated Benefits:</td>
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<td></td>
<td></td>
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<tr>
<td>Social Security Contributions</td>
<td>422,418</td>
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<td>422,418</td>
<td>394,816</td>
<td>27,602</td>
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<td>134,131</td>
<td>566,351</td>
<td>566,351</td>
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<td>Other Retirement Contributions - DCRP</td>
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<td>1,000</td>
<td>1,000</td>
<td>133</td>
<td>867</td>
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<td>Unemployment Compensation</td>
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<td>18,659</td>
<td>-</td>
<td>18,659</td>
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<td>Worker's Compensation</td>
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<td>284,070</td>
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<td>3,906,500</td>
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<td>3,732,469</td>
<td>3,201,343</td>
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<td>35,500</td>
<td>18,237</td>
<td>17,263</td>
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<td>5,600</td>
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<td>5,071,267</td>
<td>4,466,920</td>
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<td>Reimbursed TPAF Social Security Contributions (non-budgeted)</td>
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<tr>
<td>On-behalf TPAF Contributions (non-budgeted)</td>
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<td></td>
<td></td>
<td>619,558</td>
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<td><strong>Total On-behalf Contributions</strong></td>
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<td>(547,277)</td>
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<td>149,618</td>
<td>11,980,345</td>
<td>12,019,173</td>
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<td>20,972,758</td>
<td>20,517,383</td>
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</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Outlay:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Interest Earned on Capital Reserve</td>
<td>120</td>
<td>-</td>
<td>120</td>
<td>-</td>
<td></td>
<td>120</td>
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<tr>
<td><strong>Equipment:</strong></td>
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</tr>
<tr>
<td>Multiple Disabilities</td>
<td>25,000</td>
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<td>25,000</td>
<td>14,250</td>
<td>10,750</td>
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<tr>
<td>Undistributed Expenditures:</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>12,503</td>
<td>-</td>
<td>12,503</td>
<td>-</td>
<td>12,503</td>
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<tr>
<td>Support Services - Instructional Support Services</td>
<td>3,000</td>
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<td>3,000</td>
<td>-</td>
<td>3,000</td>
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<tr>
<td>School Administration</td>
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<td>12,100</td>
<td>-</td>
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<tr>
<td>Central Services</td>
<td>17,500</td>
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<td>17,500</td>
<td>-</td>
<td>17,500</td>
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</tr>
<tr>
<td>Required Maintenance for School Fac.</td>
<td>43,345</td>
<td>-</td>
<td>43,345</td>
<td>33,364</td>
<td>9,981</td>
<td></td>
</tr>
<tr>
<td>Custodial Services</td>
<td>3,500</td>
<td>-</td>
<td>3,500</td>
<td>-</td>
<td>3,500</td>
<td></td>
</tr>
<tr>
<td>Care and Upkeep of Grounds</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td><strong>Total Equipment</strong></td>
<td>125,568</td>
<td>-</td>
<td>125,568</td>
<td>47,614</td>
<td>77,954</td>
<td></td>
</tr>
<tr>
<td><strong>Facilities Acquisition and Construction Services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>Architect Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Facilities Acquisition and Construction Services</strong></td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Outlay</strong></td>
<td>128,068</td>
<td>-</td>
<td>128,068</td>
<td>47,614</td>
<td>80,454</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>21,120,826</td>
<td>(20,000)</td>
<td>21,100,826</td>
<td>20,564,997</td>
<td>535,829</td>
<td></td>
</tr>
</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Variance Positive (Negative)</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Deficiency) of Revenues Over (Under) Expenditures</td>
<td>(896,272)</td>
<td>20,000</td>
<td>(876,272)</td>
<td>613,342</td>
<td>1,489,614</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancellation of Prior Year Payables</td>
<td></td>
<td></td>
<td></td>
<td>6,809</td>
<td>6,809</td>
</tr>
<tr>
<td>Increase in Capital Reserve</td>
<td></td>
<td></td>
<td></td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Transfer to Capital Reserve</td>
<td></td>
<td></td>
<td></td>
<td>(75,000)</td>
<td>(75,000)</td>
</tr>
<tr>
<td>Operating Transfers Out:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Capital Projects Fund</td>
<td>(119,414)</td>
<td>(20,000)</td>
<td>(119,414)</td>
<td>(119,414)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Food Service Fund - Board Contribution</td>
<td>(54,340)</td>
<td></td>
<td>(74,340)</td>
<td>(74,340)</td>
<td>-</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</td>
<td>(950,612)</td>
<td>(119,414)</td>
<td>(1,070,026)</td>
<td>426,397</td>
<td>1,496,423</td>
</tr>
<tr>
<td>Fund Balances, July 1</td>
<td>3,154,939</td>
<td>-</td>
<td>3,154,939</td>
<td>4,304,070</td>
<td>1,149,131</td>
</tr>
<tr>
<td>Fund Balances, June 30</td>
<td>$ 2,204,327</td>
<td>(119,414)</td>
<td>2,084,913</td>
<td>4,730,467</td>
<td>2,645,554</td>
</tr>
</tbody>
</table>

Recapitulation of Fund Balance:

**Committed Fund Balance:**
- Capital Reserve 220,876
- Designated for Subsequent Year's Expenditures 1,944,977

**Unassigned Fund Balance** 2,564,614

Reconciliation to Governmental Funds Statements (GAAP)
- Last State Aid Payment Not Recognized on GAAP Basis -

**Fund Balance per Governmental Funds (GAAP)** 4,730,467
### Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from Local Sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24,000</td>
<td>24,000</td>
<td>9,783</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total - Local Sources</td>
<td></td>
<td></td>
<td>24,000</td>
<td>24,000</td>
<td>9,783</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(14,217)</td>
</tr>
<tr>
<td>State Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Restricted Entitlements</td>
<td>$ 250,000</td>
<td>(250,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total - State Sources</td>
<td>250,000</td>
<td>(250,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>250,000</td>
<td>(226,000)</td>
<td>24,000</td>
<td>9,783</td>
<td>(14,217)</td>
</tr>
</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>250,000</td>
<td>(249,000)</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>General Supplies</td>
<td></td>
<td>17,595</td>
<td>17,595</td>
<td>9,112</td>
<td>8,483</td>
</tr>
<tr>
<td><strong>Total instruction</strong></td>
<td>250,000</td>
<td>(231,405)</td>
<td>18,595</td>
<td>9,112</td>
<td>9,483</td>
</tr>
<tr>
<td>Support Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Prof &amp; Technical Services</td>
<td></td>
<td>500</td>
<td>500</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td></td>
<td>2,105</td>
<td>2,105</td>
<td>500</td>
<td>1,605</td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td>2,800</td>
<td>2,800</td>
<td>171</td>
<td>2,629</td>
</tr>
<tr>
<td><strong>Total support services</strong></td>
<td></td>
<td>5,405</td>
<td>5,405</td>
<td>671</td>
<td>4,734</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>250,000</td>
<td>(226,000)</td>
<td>24,000</td>
<td>9,783</td>
<td>14,217</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues Over (Under) Expenditures</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-1; C-2</td>
<td>$21,178,339</td>
</tr>
</tbody>
</table>

Difference - budget to GAAP:
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.

<table>
<thead>
<tr>
<th>Prior year</th>
<th>Current year</th>
</tr>
</thead>
<tbody>
<tr>
<td>State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.</td>
<td></td>
</tr>
<tr>
<td>State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.</td>
<td></td>
</tr>
</tbody>
</table>

Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-2</td>
<td>$21,178,339</td>
</tr>
</tbody>
</table>

Uses/outflows of resources
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-2</td>
<td>$20,564,997</td>
</tr>
</tbody>
</table>

Differences - budget to GAAP:
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

<table>
<thead>
<tr>
<th>Prior year</th>
<th>Current year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to enterprise fund.</td>
<td></td>
</tr>
</tbody>
</table>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-2</td>
<td>$20,564,997</td>
</tr>
</tbody>
</table>
{THIS PAGE IS INTENTIONALLY LEFT BLANK}
Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.
{THIS PAGE IS INTENTIONALLY LEFT BLANK}
ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Atlanticare Health</th>
<th>Learn &amp; Serve Health</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grant</td>
<td>Grant</td>
<td></td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Sources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Sources</td>
<td>4,581</td>
<td>5,202</td>
<td>9,783</td>
</tr>
<tr>
<td>Total revenues</td>
<td>4,581</td>
<td>5,202</td>
<td>9,783</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General supplies</td>
<td>4,581</td>
<td>4,531</td>
<td>9,112</td>
</tr>
<tr>
<td>Total instruction</td>
<td>4,581</td>
<td>4,531</td>
<td>9,112</td>
</tr>
<tr>
<td>Support services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Travel</td>
<td>171</td>
<td>171</td>
<td>171</td>
</tr>
<tr>
<td>Total support services</td>
<td>-</td>
<td>671</td>
<td>671</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>4,581</td>
<td>5,202</td>
<td>9,783</td>
</tr>
</tbody>
</table>
The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds.
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Project Title/Issue</th>
<th>Approval Date</th>
<th>Revised Appropriations</th>
<th>GAAP Expenditures to Date</th>
<th>Unexpended Appropriations 6/30/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Parking, Drive &amp; Drainage improvements</td>
<td>7/23/2010</td>
<td>$199,022</td>
<td>-</td>
<td>20,492</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$199,022</strong></td>
<td><strong>-</strong></td>
<td><strong>20,492</strong></td>
</tr>
</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
For the Year Ended June 30, 2011

**Revenue and Other Financing Sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from capital outlay</td>
<td>$119,414</td>
</tr>
<tr>
<td>Total revenues</td>
<td>119,414</td>
</tr>
</tbody>
</table>

**Expenditures and Other Financing Uses**

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased professional and technical services</td>
<td>20,492</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>20,492</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>98,922</td>
</tr>
<tr>
<td>Fund balance- beginning</td>
<td></td>
</tr>
<tr>
<td>Fund balance - ending</td>
<td>$98,922</td>
</tr>
</tbody>
</table>
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Site Parking, Drive & Drainage Improvements  
From Inception and for the Year Ended June 30, 2011

### Revenue and Other Financing Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Prior Periods</th>
<th>Current Period</th>
<th>Totals</th>
<th>Revised Authorized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Facilities Const. Grant</td>
<td>$</td>
<td></td>
<td></td>
<td>79,608</td>
</tr>
<tr>
<td>Transfer from General Fund</td>
<td>119,414</td>
<td>119,414</td>
<td>119,414</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>-</td>
<td>119,414</td>
<td>119,414</td>
<td>199,022</td>
</tr>
</tbody>
</table>

### Expenditures and Other Financing Uses

<table>
<thead>
<tr>
<th>Use</th>
<th>Prior Periods</th>
<th>Current Period</th>
<th>Totals</th>
<th>Revised Authorized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Prof &amp; Tech Services</td>
<td>20,492</td>
<td>20,492</td>
<td>35,750</td>
<td></td>
</tr>
<tr>
<td>Construction services</td>
<td>-</td>
<td>-</td>
<td>163,272</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>-</td>
<td>20,492</td>
<td>20,492</td>
<td>199,022</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>$ -</td>
<td>98,922</td>
<td>98,922</td>
<td>-</td>
</tr>
</tbody>
</table>

### Additional project information:

- **Project Number**: 0125-030-10-1001
- **Grant Date**: July 23, 2010
- **Bonds Authorization Date**: N/A
- **Bonds Authorized**: N/A
- **Bonds Issued**: N/A
- **Original Authorized Cost**: $199,022
- **Additional Authorized Cost**: $-
- **Revised Authorized Cost**: $199,022

- Percentage Increase over Original Authorized Cost: 0%
- Percentage completion: 10%
- Original target completion date: June 30, 2011
- Revised target completion date: October 31, 2011


Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Schools to Careers Fund** - This fund represents activities in a non-traditional community based system that ensures appropriate employment to our graduates.

**County Programs Fund** - This fund represents contacts with the County of Atlantic for the provision of educational programs and health services.

**Itinerant Services Fund** - The District has entered into an agreement with various school districts within the County to provide onsite therapeutic intervention for occupational, physical and/or speech therapy.

**Child Study Team Fund** - The District has entered into an agreement with various districts within the County to provide Child Study Team services for the reevaluation of the classification in accordance with N.J.A.C. 6:28-3.7

**State Programs Fund** - This fund represents contracts with the State of New Jersey, Juvenile Justice Commission and the County of Atlantic for the provision of educational programs and services.
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# ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

(A Component Unit of the County of Atlantic)

Non-major Enterprise Funds

Combining Statement of Net Assets

June 30, 2011

<table>
<thead>
<tr>
<th>School to County</th>
<th>Careers</th>
<th>County Programs</th>
<th>Itinerant Services</th>
<th>Child Study Team</th>
<th>State Programs</th>
<th>Total Non-major Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 8,942</td>
<td>57,609</td>
<td>68,102</td>
<td>49,255</td>
<td>183,908</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable:</td>
<td>1,985</td>
<td>83,941</td>
<td>20,549</td>
<td>106,475</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>10,927</td>
<td>141,550</td>
<td>88,651</td>
<td>49,255</td>
<td>290,383</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>10,927</td>
<td>141,550</td>
<td>88,651</td>
<td>49,255</td>
<td>290,383</td>
<td></td>
</tr>
</tbody>
</table>

| **LIABILITIES AND FUND EQUITY:** |         |                 |                    |                  |               |                       |
| Current liabilities: |         |                 |                    |                  |               |                       |
| Accounts payable | 4,468 | 2,261 | 2,012 | 8,741 |
| Interfund payable | 930 | 930 |                  |                  |               |                       |
| **Total liabilities** | 4,468 | 3,191 | 2,012 | - | 9,671 |
| Net Assets |         |                 |                    |                  |               |                       |
| Unrestricted | 6,459 | 138,359 | 86,639 | 49,255 | 280,712 |
| **Total net assets** | 6,459 | 138,359 | 86,639 | 49,255 | 280,712 |
| **Total liabilities and fund equity** | $ 10,927 | 141,550 | 88,651 | 49,255 | 290,383 |
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Non-major Proprietary Funds  
For the Year Ended June 30, 2011

### Business-type Activities - Enterprise Fund

<table>
<thead>
<tr>
<th></th>
<th>School to Careers</th>
<th>County Programs</th>
<th>Itinerant Child Study Services</th>
<th>State Team Programs</th>
<th>Total Non-major Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for Service</td>
<td>$42,148</td>
<td>356,808</td>
<td>272,058</td>
<td>77,000</td>
<td>381,206</td>
</tr>
<tr>
<td>County Aid Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$42,148</td>
<td>356,808</td>
<td>272,058</td>
<td>77,000</td>
<td>748,014</td>
</tr>
</tbody>
</table>

| **Operating expenses:** |                   |                |                               |                     |                       |
| Salaries              | 30,108            | 355,795        | 180,420                       | 50,479              | 616,802               |
| Employee Benefits     | 77,756            | 26,378         | 18,960                        | 123,094             |                       |
| Travel                | 1,494             | 454            | 1,948                         |                     | 1,948                 |
| General Supplies      | 942               | 422            | 1,364                         |                     | 1,364                 |
| General Administration | 19,450           |                |                               | 19,450              |                       |
| Total Operating Expenses | $30,108          | 455,437        | 207,674                       | 69,439              | 762,658               |
| Operating income (loss) | $12,040          | (98,629)       | 64,384                        |                      | 7,561                 |
| Income (loss) before contributions & transfers | $12,040       | (98,629)       | 64,384                        |                      | 7,561                 |
| Capital contributions |                   |                |                               |                     | (14,644)              |
| Transfers in (out)    |                   |                |                               |                     |                       |
| Change in net assets  | 12,040            | (98,629)       | 121,944                       | (57,560)            | 7,561                 |
| Total net assets—beginning | (5,581)       | 236,988        | 35,305                        | 57,560              | 41,694                |
| Total net assets—ending | $6,459           | 138,359        | 86,639                        |                      | 280,712               |
Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Cash Flows  
Non-major Proprietary Funds  
For the Year Ended June 30, 2011

### Business-type Activities - Enterprise Funds

<table>
<thead>
<tr>
<th>School to Careers</th>
<th>County Programs</th>
<th>Itinerant Services</th>
<th>Child Study Team</th>
<th>State Programs</th>
<th>Non-major Funds</th>
</tr>
</thead>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Receipts from customers</th>
<th>43,453</th>
<th>356,220</th>
<th>274,757</th>
<th>2,718</th>
<th>95,488</th>
<th>752,636</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for salaries</td>
<td>35,456</td>
<td>355,765</td>
<td>178,662</td>
<td>50,479</td>
<td>620,392</td>
<td></td>
</tr>
<tr>
<td>Payments for benefits</td>
<td>(77,756)</td>
<td>(26,244)</td>
<td>(18,960)</td>
<td>(122,960)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other costs</td>
<td>(21,819)</td>
<td>(756)</td>
<td>(13,656)</td>
<td>(36,231)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net cash provided by/(used for) operating activities**

| 7,997 | (119,150) | 69,095 | (10,938) | 26,049 | (26,947) |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

| Operating subsidies and transfers from/(to) other funds | (993) | (57,560) | (58,553) |

**Net cash provided by/(used for) non-capital financing activities**

| - | - | - | - | (58,553) |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

| Purchases of capital assets | - | - | - | - | - |

**Net cash (used for) capital and related financing activities**

| - | - | - | - | - | - |

**CASH FLOWS FROM INVESTING ACTIVITIES**

| Interest and dividends | - | - | - | - | - |

| Net cash provided by (used for) investing activities | - | - | - | - | - |

**Net increase/(decrease) in cash and cash equivalents**

| 7,997 | (119,150) | 68,102 | (68,498) | 26,049 | (85,500) |

| Balances—beginning of year | 945 | 176,759 | - | 68,498 | 23,206 | 269,408 |

| Balances—end of year | 8,942 | 57,609 | 68,102 | - | 40,255 | 183,908 |

**Reconciliation of operating income (loss) to net cash provided**

| (used) by operating activities: | 12,040 | (98,629) | 64,384 | - | 7,561 | (14,644) |

| Adjustments to reconcile operating income (loss) to net cash provided by/(used for) operating activities | 1,305 | (20,588) | 2,699 | 2,718 | 18,488 | 4,622 |

| (Increase)/Decrease in accounts receivable, net | (5,348) | (863) | 2,012 | (13,656) | - | (17,855) |

| Increase/(Decrease) in accounts payable | 930 | - | - | - | 930 |

| Total adjustments | 4,043 | (20,521) | 4,711 | (10,938) | 18,488 | (12,303) |

| Net cash provided by (used for) operating activities | 7,997 | (119,150) | 69,095 | (10,938) | 26,049 | (26,947) |
Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Unemployment Trust Fund** - This fund provides for the accumulation of funds to pay the quarterly contributions due to the State of New Jersey.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.
{THIS PAGE IS INTENTIONALLY LEFT BLANK}
<table>
<thead>
<tr>
<th></th>
<th>Trust Funds</th>
<th>Agency</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expendable</td>
<td>Student</td>
<td>Unemployment</td>
<td>Activity</td>
</tr>
<tr>
<td>ASSETS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 80,868</td>
<td>82,719</td>
<td>35,717</td>
<td>199,304</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from the Payroll Agency Fund</td>
<td>10,680</td>
<td></td>
<td></td>
<td>10,680</td>
</tr>
<tr>
<td>Total Assets</td>
<td>91,548</td>
<td>82,719</td>
<td>35,717</td>
<td>209,984</td>
</tr>
<tr>
<td>LIABILITIES AND EQUITY:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to State of New Jersey</td>
<td>4,039</td>
<td></td>
<td></td>
<td>4,039</td>
</tr>
<tr>
<td>Due to Unemployment</td>
<td></td>
<td>10,680</td>
<td>10,680</td>
<td></td>
</tr>
<tr>
<td>Due to General Fund</td>
<td></td>
<td>5,845</td>
<td>5,845</td>
<td></td>
</tr>
<tr>
<td>Payroll Deductions Payable</td>
<td></td>
<td>19,192</td>
<td>19,192</td>
<td></td>
</tr>
<tr>
<td>Due to student groups</td>
<td></td>
<td></td>
<td></td>
<td>82,719</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>4,039</td>
<td>82,719</td>
<td>35,717</td>
<td>122,475</td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>87,509</td>
<td></td>
<td></td>
<td>87,509</td>
</tr>
<tr>
<td>Reserved - Expendable Trust</td>
<td></td>
<td></td>
<td></td>
<td>87,509</td>
</tr>
<tr>
<td>Total equity</td>
<td>87,509</td>
<td></td>
<td></td>
<td>87,509</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>$ 91,548</td>
<td>82,719</td>
<td>35,717</td>
<td>209,984</td>
</tr>
</tbody>
</table>
ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A Component Unit of the County of Atlantic)  
Expendable Trust Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Net Assets  
Year Ending June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Unemployment Trust</th>
<th>Total Expendable Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sources:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on investments</td>
<td>$ 706</td>
<td>706</td>
</tr>
<tr>
<td>Employee withholdings</td>
<td>34,250</td>
<td>34,250</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>34,956</td>
<td>34,956</td>
</tr>
</tbody>
</table>

| **DEDUCTIONS**              |                    |                        |
| Payments of unemployment claims | 35,877             | 35,877                 |
| Miscellaneous               | 855                | 855                    |
| **Total operating expenses**| 36,732             | 36,732                 |

| **Change in net assets**    | (1,776)            | (1,776)                |
| **Net Assets, July 1**      | 89,285             | 89,285                 |
| **Net Assets, June 30**     | $ 87,509           | 87,509                 |
## ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2010</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance July 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 84,182</td>
<td>46,553</td>
<td>48,016</td>
<td>82,719</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>84,182</td>
<td>46,553</td>
<td>48,016</td>
<td>82,719</td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Student groups</td>
<td>84,182</td>
<td>46,553</td>
<td>48,016</td>
<td>82,719</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$ 84,182</td>
<td>46,553</td>
<td>48,016</td>
<td>82,719</td>
</tr>
</tbody>
</table>
ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
Payroll Agency Fund  
Statement of Changes in Assets and Liabilities  
For the Fiscal Year ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2010</td>
<td></td>
<td></td>
<td>June 30, 2011</td>
</tr>
<tr>
<td>ASSETS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$123,288</td>
<td>7,952,403</td>
<td>8,039,974</td>
<td>35,717</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>10,810</td>
<td></td>
<td>10,810</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>123,288</td>
<td>7,952,403</td>
<td>8,050,784</td>
<td>35,717</td>
</tr>
<tr>
<td>LIABILITIES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to General Fund</td>
<td>-</td>
<td>5,845</td>
<td></td>
<td>5,845</td>
</tr>
<tr>
<td>Due to Unemployment Trust</td>
<td>-</td>
<td>10,680</td>
<td></td>
<td>10,680</td>
</tr>
<tr>
<td>Payroll deductions</td>
<td>134,098</td>
<td>7,935,878</td>
<td>8,050,784</td>
<td>19,192</td>
</tr>
<tr>
<td>and withholdings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$134,098</td>
<td>7,952,403</td>
<td>8,050,784</td>
<td>35,717</td>
</tr>
</tbody>
</table>
Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. Effective with the fiscal year ended June 30, 2003, the District's financial statements are presented in accordance with GASB 34. As a result, 10 years of information may not be available to report.
Atlantic County Special Services School District
Net Assets by Component,
Last Nine Fiscal Years
Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>24,032,848</td>
<td>27,604,500</td>
<td>27,360,252</td>
<td>26,832,193</td>
<td>26,168,488</td>
<td>25,881,453</td>
<td>25,095,099</td>
<td>24,384,588</td>
<td>23,554,439</td>
</tr>
<tr>
<td>Restricted</td>
<td>355,646</td>
<td>307,656</td>
<td>157,332</td>
<td>955,931</td>
<td>31,812</td>
<td>91,657</td>
<td>189,785</td>
<td>282,157</td>
<td>220,876</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,210,847</td>
<td>2,566,316</td>
<td>2,787,499</td>
<td>1,827,395</td>
<td>2,731,409</td>
<td>1,400,018</td>
<td>3,433,760</td>
<td>3,502,274</td>
<td>4,063,779</td>
</tr>
<tr>
<td><strong>Total governmental activities net assets</strong></td>
<td>26,599,341</td>
<td>30,478,472</td>
<td>30,305,083</td>
<td>29,615,519</td>
<td>28,931,709</td>
<td>27,373,128</td>
<td>28,718,644</td>
<td>28,169,019</td>
<td>27,839,094</td>
</tr>
<tr>
<td><strong>Business-type activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>708,669</td>
<td>2,063,241</td>
<td>1,804,238</td>
<td>1,468,824</td>
<td>1,370,104</td>
<td>1,310,824</td>
<td>1,282,907</td>
<td>1,395,560</td>
<td>1,398,497</td>
</tr>
<tr>
<td>Restricted</td>
<td>840,101</td>
<td>624,616</td>
<td>597,623</td>
<td>1,389,604</td>
<td>2,482,583</td>
<td>3,514,536</td>
<td>4,002,781</td>
<td>4,280,548</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,482,583</td>
<td>3,514,536</td>
<td>4,002,781</td>
<td>4,280,548</td>
<td>4,570,048</td>
</tr>
<tr>
<td><strong>Total business-type activities net assets (as restated)</strong></td>
<td>1,548,770</td>
<td>2,687,857</td>
<td>2,401,861</td>
<td>2,858,428</td>
<td>3,952,687</td>
<td>4,825,360</td>
<td>5,285,688</td>
<td>5,676,104</td>
<td>6,127,141</td>
</tr>
<tr>
<td><strong>District-wide</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>24,741,517</td>
<td>29,867,741</td>
<td>28,164,490</td>
<td>27,938,592</td>
<td>27,192,277</td>
<td>26,370,006</td>
<td>25,801,489</td>
<td>25,452,926</td>
<td>24,922,926</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,198,947</td>
<td>932,272</td>
<td>754,958</td>
<td>1,995,956</td>
<td>31,812</td>
<td>91,657</td>
<td>189,785</td>
<td>282,157</td>
<td>220,876</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,210,847</td>
<td>2,566,316</td>
<td>2,787,499</td>
<td>1,827,395</td>
<td>5,213,992</td>
<td>4,914,536</td>
<td>7,436,541</td>
<td>6,711,198</td>
<td>6,323,333</td>
</tr>
<tr>
<td><strong>Total district net assets (as restated)</strong></td>
<td>28,148,111</td>
<td>33,166,329</td>
<td>32,706,944</td>
<td>32,473,947</td>
<td>32,784,396</td>
<td>32,198,488</td>
<td>34,004,332</td>
<td>32,773,503</td>
<td>31,506,135</td>
</tr>
</tbody>
</table>

The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

Source: CAFR Schedule A1
### Atlantic County Special Services School District

#### Changes in Net Assets, Last Nine Fiscal Years

**Unaudited**

#### Fiscal Year Ending June 30,

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
<th>Program Revenues</th>
<th>Net (Expense)/Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2006</td>
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<td></td>
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<tr>
<td>2007</td>
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<td></td>
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<tr>
<td>2008</td>
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<tr>
<td>2009</td>
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</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Expenses

##### Governmental activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Instruction</th>
<th>Support Services</th>
<th>Plant operations and maintenance</th>
<th>Pupil transportation</th>
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##### Business-type activities

<table>
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<tr>
<th>Year</th>
<th>Food service</th>
<th>Transportation</th>
<th>Teachers Aide Services</th>
<th>Operating grants and contributions</th>
<th>Total business-type activities expenses</th>
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#### Program Revenues

##### Governmental activities

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<th>Charges for services:</th>
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<td>instruction 384,306</td>
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<td>instruction 14,772,387</td>
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##### Business-type activities

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<th>Teachers Aide Services 2,054,005</th>
<th>Operating grants and contributions 3,711,370</th>
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#### Net (Expense)/Revenue

##### Governmental activities

<table>
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<th>Year</th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total district-wide net expense</th>
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<tr>
<td>2004</td>
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<tr>
<td>2007</td>
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<td>(3,294,270)</td>
</tr>
<tr>
<td>2008</td>
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<td>(4,753,319)</td>
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<tr>
<td>2009</td>
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<td>(1,522,517)</td>
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<td>2011</td>
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<td>(27,662,350)</td>
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##### Business-type activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total district-wide net expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
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<td>(2,723,715)</td>
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<tr>
<td>2004</td>
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<td>(4,753,319)</td>
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<td>(27,422,982)</td>
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#### General Revenues and Other Changes in Net Assets

##### Governmental activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Property taxes levied for general purposes, net</th>
<th>Federal &amp; State Aid - not restricted</th>
<th>Investment earnings</th>
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<td>2003</td>
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<td>1,800,000</td>
<td>77,122</td>
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<tr>
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<td>1,854,000</td>
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<td>1,920,000</td>
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### Atlantic County Special Services School District
#### Changes in Net Assets, Last Nine Fiscal Years
Unaudited

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<td>572,919</td>
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<td>218,813</td>
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<td>145,046</td>
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<td>71,035</td>
<td>(90,000)</td>
<td>(90,000)</td>
<td>(98,900)</td>
<td>(107,801)</td>
<td>(117,503)</td>
<td>(128,078)</td>
<td>(74,340)</td>
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<tr>
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<td>535,000</td>
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<td>Cancellation of Prior Year Payables</td>
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<td>7,114</td>
<td>185</td>
<td>6,809</td>
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<td>Loss on the Disposal of Fixed Assets</td>
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<td>(1,039)</td>
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<td>2,347,511</td>
<td>2,573,542</td>
<td>2,260,574</td>
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<tr>
<td>Miscellaneous income</td>
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<tr>
<td>Transfers</td>
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<td>90,000</td>
<td>90,000</td>
<td>98,900</td>
<td>107,801</td>
<td>117,503</td>
<td>128,078</td>
<td>74,340</td>
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<tr>
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<td>337,724</td>
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<td>90,000</td>
<td>98,900</td>
<td>107,801</td>
<td>154,344</td>
<td>133,800</td>
<td>76,108</td>
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#### Change in Net Assets

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<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<td>(683,810</td>
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<td>972,673</td>
<td>460,328</td>
<td>(681,204</td>
<td>(837,443</td>
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<td>Total district</td>
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<td>(1,267,368</td>
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The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

Source: CAFR Schedule A-2
<table>
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<th>2006</th>
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<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<td>91,657</td>
<td>313,019</td>
<td>739,139</td>
<td>30,866</td>
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<td>57,097</td>
<td>43,651</td>
<td>57,097</td>
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<tr>
<td>Total all other governmental funds</td>
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<td>280,245</td>
<td>129,317</td>
<td>216,792</td>
<td>57,097</td>
<td>43,651</td>
<td>57,097</td>
<td>43,651</td>
<td>57,097</td>
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</table>

The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

Beginning with fiscal year ended June 30, 2011 the District was required to comply with GASB 54, which required a change in the method of presentation of fund balances.

Source: CAFR Schedule B-1
Atlantic County Special Services School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

<table>
<thead>
<tr>
<th>Year</th>
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<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<td><strong>Revenues</strong></td>
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<td>1,920,000</td>
<td>1,200,000</td>
<td>1,980,000</td>
<td>1,980,000</td>
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<td>14,764,215</td>
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<td>15,608,045</td>
<td>16,427,680</td>
<td>15,603,048</td>
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<td>240</td>
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<td>State sources</td>
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<td>1,536,806</td>
<td>1,593,192</td>
<td>1,340,697</td>
<td>1,338,193</td>
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<td>68,165</td>
<td>18,017</td>
<td>20,783</td>
<td>164,119</td>
<td>146,006</td>
<td>139,209</td>
<td>195,204</td>
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<tr>
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<td>18,249,041</td>
<td>18,735,412</td>
<td>20,284,127</td>
<td>19,530,051</td>
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<td>21,125,888</td>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
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<td><strong>Expenditures</strong></td>
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<tr>
<td>Instruction</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Other special instruction</td>
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<td>7,006,573</td>
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<td>7,531,542</td>
<td>8,106,420</td>
<td>8,660,639</td>
<td>8,131,439</td>
<td>8,144,280</td>
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<tr>
<td>Other instruction</td>
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<td>568,770</td>
<td>581,703</td>
<td>595,969</td>
<td>579,596</td>
<td>595,969</td>
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<td>766,366</td>
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<tr>
<td>Support Services:</td>
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<td></td>
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<tr>
<td>Student &amp; instruction related services</td>
<td>2,245,358</td>
<td>2,564,670</td>
<td>2,782,495</td>
<td>2,668,137</td>
<td>2,655,728</td>
<td>2,708,285</td>
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<td>443,664</td>
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<td>378,923</td>
<td>387,956</td>
<td>406,760</td>
<td>400,707</td>
<td>357,000</td>
<td>399,463</td>
<td>399,171</td>
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<td>School Administrative services</td>
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<td>612,636</td>
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<td>647,647</td>
<td>654,337</td>
<td>639,625</td>
<td>694,900</td>
<td>642,141</td>
<td>757,282</td>
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<td>326,390</td>
<td>435,272</td>
<td>400,945</td>
<td>571,965</td>
<td>618,966</td>
<td>685,146</td>
<td>699,359</td>
<td>688,275</td>
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<td>1,343,937</td>
<td>1,248,241</td>
<td>1,174,284</td>
<td>1,343,555</td>
<td>1,437,742</td>
<td>1,533,333</td>
<td>1,504,016</td>
<td>1,525,395</td>
<td>1,525,395</td>
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<tr>
<td>Pupil transportation</td>
<td>93,767</td>
<td>70,813</td>
<td>26,768</td>
<td>36,344</td>
<td>49,497</td>
<td>55,957</td>
<td>32,895</td>
<td>36,576</td>
<td>38,981</td>
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</tr>
<tr>
<td><strong>Capital outlay</strong></td>
<td>700,238</td>
<td>605,799</td>
<td>780,207</td>
<td>418,048</td>
<td>448,963</td>
<td>278,306</td>
<td>610,342</td>
<td>95,050</td>
<td>84,389</td>
<td>69,106</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>14,023,303</td>
<td>17,140,882</td>
<td>17,556,744</td>
<td>17,889,307</td>
<td>18,812,908</td>
<td>20,063,992</td>
<td>21,370,592</td>
<td>20,229,555</td>
<td>20,836,315</td>
<td>20,596,272</td>
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<tr>
<td>Excess (Deficiency) of revenues over (under) expenditures</td>
<td>406,364</td>
<td>71,035</td>
<td>235,794</td>
<td>259,734</td>
<td>(77,496)</td>
<td>220,135</td>
<td>(1,840,541)</td>
<td>2,047,614</td>
<td>288,973</td>
<td>592,850</td>
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</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other Financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Services</td>
<td>535,000</td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>Cancellation of Prior Year Payables</td>
<td>17,017</td>
<td>7,114</td>
<td>185</td>
<td>6,809</td>
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<tr>
<td>Increase in Capital Reserve</td>
<td>100,000</td>
<td>156,749</td>
<td>75,000</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Transfer to Capital Reserve</td>
<td>(100,000)</td>
<td>(100,000)</td>
<td>(75,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Transfer from Emergency Reserve</td>
<td>(56,749)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>200,650</td>
<td>398,665</td>
<td>200,650</td>
<td>398,665</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Transfers out</td>
<td>(80,000)</td>
<td>(385,650)</td>
<td>(90,000)</td>
<td>(90,000)</td>
<td>(98,900)</td>
<td>(107,801)</td>
<td>(117,503)</td>
<td>(128,078)</td>
<td>(159,754)</td>
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<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>120,650</td>
<td>71,035</td>
<td>(90,000)</td>
<td>(90,000)</td>
<td>(98,900)</td>
<td>444,216</td>
<td>(110,389)</td>
<td>(127,893)</td>
<td>(67,531)</td>
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<td>Net change in fund balances</td>
<td>527,014</td>
<td>(745,021)</td>
<td>235,794</td>
<td>169,734</td>
<td>(167,496)</td>
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<td>(1,396,325)</td>
<td>2,047,614</td>
<td>161,080</td>
<td>525,319</td>
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<td>Debt service as a percentage of noncapital expenditures</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<td>0%</td>
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Source: CAFR Schedule B-2
Atlantic County Special Services School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
*Unaudited*

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Tuition</th>
<th>Interest</th>
<th>Miscellaneous</th>
<th>Total</th>
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<tbody>
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<td>24,392</td>
<td>131,110</td>
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<tr>
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<td>80,191</td>
<td>86,549</td>
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<td>67,071</td>
<td>578,043</td>
<td>15,792,073</td>
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<td>135,744</td>
<td>390,161</td>
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<td>15,951</td>
<td>16,690,547</td>
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<td>2008</td>
<td>15,603,048</td>
<td>162,861</td>
<td>61,876</td>
<td>15,827,785</td>
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<tr>
<td>2009</td>
<td>18,663,965</td>
<td>52,088</td>
<td>210,879</td>
<td>18,926,932</td>
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<td>2010</td>
<td>17,392,609</td>
<td>70,160</td>
<td>149,722</td>
<td>17,612,491</td>
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<td>2011</td>
<td>17,647,674</td>
<td>187</td>
<td>243,367</td>
<td>17,891,228</td>
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</table>

Source: District Records
Atlantic County Special Services School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

<table>
<thead>
<tr>
<th>Function/Program</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
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<tbody>
<tr>
<td>Instruction</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Regular</td>
<td>7</td>
<td>9</td>
<td>9</td>
<td>8</td>
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<td>Special Education instruction</td>
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<td>58</td>
<td>64</td>
<td>62</td>
<td>58</td>
<td>60</td>
<td>57</td>
<td>57</td>
<td>57</td>
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<tr>
<td>Other special education instruction</td>
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<td>158</td>
<td>151</td>
<td>163</td>
<td>157</td>
<td>157</td>
<td>160</td>
<td>141</td>
<td>154</td>
<td>145</td>
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<td>Nonpublic school programs</td>
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<tr>
<td>Support Services:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>45</td>
<td>46</td>
<td>47</td>
<td>47</td>
<td>48</td>
<td>46</td>
<td>43</td>
<td>44</td>
<td>48</td>
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<td>2</td>
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<tr>
<td>School administrative services</td>
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<td>9</td>
<td>9</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>9</td>
</tr>
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<td>11</td>
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<td>12</td>
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<tr>
<td>Plant operations and maintenance</td>
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<td>11</td>
<td>10</td>
<td>11</td>
<td>16</td>
<td>16</td>
<td>17</td>
<td>16</td>
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<tr>
<td>Pupil transportation</td>
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<td>120</td>
<td>107</td>
<td>120</td>
<td>123</td>
<td>125</td>
<td>127</td>
<td>126</td>
<td>122</td>
<td>130</td>
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<td>Food Service</td>
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<td>440</td>
<td>447</td>
<td>454</td>
<td>435</td>
<td>449</td>
<td>444</td>
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Source: District Personnel Records
Atlantic County Special Services School District  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Enrollment</th>
<th>Operating Expenditures a</th>
<th>Cost Per Pupil</th>
<th>Percentage Change</th>
<th>Teaching Staff b</th>
<th>Elementary School</th>
<th>Middle School</th>
<th>High School</th>
<th>Average Daily Enrollment (ADE) c</th>
<th>Average Daily Attendance (ADA) c</th>
<th>% Change in Average Daily Enrollment</th>
<th>Student Attendance Percentage</th>
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<tbody>
<tr>
<td>2002</td>
<td>515</td>
<td>13,791,085</td>
<td>26,779</td>
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<td>69</td>
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<td>8:1</td>
<td>8:1</td>
<td>515</td>
<td>472</td>
<td>-3.38%</td>
<td>91.65%</td>
</tr>
<tr>
<td>2003</td>
<td>520</td>
<td>16,797,747</td>
<td>32,303</td>
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<td>67</td>
<td>9:3:1</td>
<td>9:3:1</td>
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<td>520</td>
<td>478</td>
<td>0.97%</td>
<td>91.92%</td>
</tr>
<tr>
<td>2004</td>
<td>508</td>
<td>17,187,198</td>
<td>33,569</td>
<td>3.92%</td>
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<td>8:6:1</td>
<td>8:6:1</td>
<td>8:7:1</td>
<td>512</td>
<td>465</td>
<td>-1.54%</td>
<td>90.82%</td>
</tr>
<tr>
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<td>508</td>
<td>17,528,535</td>
<td>34,505</td>
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<td>64</td>
<td>8:2:1</td>
<td>8:2:1</td>
<td>8:3:1</td>
<td>508</td>
<td>467</td>
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<td>91.93%</td>
</tr>
<tr>
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<td>8:1</td>
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<td>91.04%</td>
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<td>427</td>
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<td>91.43%</td>
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<td>8:1</td>
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<td>440</td>
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<td>89.80%</td>
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<tr>
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<td>8:6:1</td>
<td>8:8:1</td>
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<td>426</td>
<td>-2.86%</td>
<td>89.50%</td>
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<tr>
<td>2011</td>
<td>457</td>
<td>20,527,169</td>
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<td>8:1</td>
<td>8:5:1</td>
<td>7:5:1</td>
<td>457</td>
<td>413</td>
<td>-3.99%</td>
<td>90.37%</td>
</tr>
</tbody>
</table>

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay
b Teaching staff includes only full-time equivalents of certificated staff
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
Atlantic County Special Services School District
School Building Information
Last Ten Fiscal Years
Unaudited

<table>
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Source: District records, ASSA
Atlantic County Special Services School District  
General Fund  
Schedule of Required Maintenance for School Facilities  
Last Ten Years  
*Unaudited*  

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

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Source: District Records.
Single Audit Section
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type
activities, each major fund and the aggregate remaining fund information of the Board of
Education of the Atlantic County Special Services School District in the County of Atlantic, State
of New Jersey as of and for the year ended June 30, 2011, which collectively comprises the
District’s basic financial statements, and have issued our report thereon dated October 20, 2011.

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
prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow
management or employees, in the normal course of performing their assigned functions, to prevent
or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or
combination of deficiencies, in internal control such that there is a reasonable possibility that a
material misstatement of the District’s financial statements will not be prevented or detected and
corrected on a timely basis.
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Atlantic County Special Services School District in the separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated October 20, 2011.

This report is intended solely for the information and use of the audit committee, management, and the State of New Jersey, Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kenneth Moore, CPA  
Licensed Public School Accountant  
No. CS00499

Swartz & Co., LLC

Swartz & Co., LLC  
Certified Public Accountants  
October 20, 2011
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A133 And New Jersey Circular OMB 04-04

Independent Auditor’s Report

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

Compliance

We have audited the Atlantic County Special Services Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Grants Compliance Supplement that could have a direct and material effect on each of the Atlantic County Special Services Board of Education’s major federal and state programs for the year ended June 30, 2011. The Atlantic County Special Services Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Atlantic County Special Services Board of Education’s management. Our responsibility is to express an opinion on the Atlantic County Special Services Board of Education’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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04, New Jersey State Grants Compliance Supplement. Those standards, OMB Circular A-133 and New Jersey OMB 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Atlantic County Special Services Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Atlantic County Special Services Board of Education’s compliance with those requirements.
In our opinion, the Atlantic County Special Services Board of Education complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Atlantic County Special Services Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Atlantic County Special Services Board of Education’s internal control over compliance with the 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 and to test and report on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board’s internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis.

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

This report is intended solely for the information of the audit committee, management, Board of Education, the New Jersey State Department of Education (cognizant audit agency) and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Kenneth Moore, CPA
Licensed Public School Accountant
No. CS00499

Swartz & Co., LLC
Swartz & Co., LLC
Certified Public Accountants

October 20, 2011
### U.S. Department of Agriculture
Passed-through State Department of Education Enterprise Fund

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CFDA Number</th>
<th>Grant Period</th>
<th>Award Amount</th>
<th>Balance at June 30, 2010</th>
<th>Carryover Amount</th>
<th>Cash Received</th>
<th>Budgetary Expenditures</th>
<th>Repayment of Prior Years' Balances</th>
<th>(Accounts Receivable)</th>
<th>Deferred Revenue</th>
<th>Due to Grantor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Distribution Program</td>
<td>10.550</td>
<td>7/1/10 - 6/30/11</td>
<td>23,335</td>
<td>23,335</td>
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</tr>
<tr>
<td>School Breakfast Program</td>
<td>10.553</td>
<td>7/1/09 - 6/30/10</td>
<td>69,277</td>
<td>$ (7,517)</td>
<td>7,517</td>
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</tr>
<tr>
<td>School Breakfast Program</td>
<td>10.553</td>
<td>7/1/10 - 6/30/11</td>
<td>66,478</td>
<td>66,478</td>
<td></td>
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<tr>
<td>National School Lunch Program</td>
<td>10.555</td>
<td>7/1/09 - 6/30/10</td>
<td>121,306</td>
<td>(12,914)</td>
<td></td>
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<td></td>
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<tr>
<td>National School Lunch Program</td>
<td>10.555</td>
<td>7/1/10 - 6/30/11</td>
<td>122,451</td>
<td>122,451</td>
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**Total U.S. Department of Agriculture**

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<td></td>
<td>(20,431)</td>
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</table>

### U.S. Department of Education
Passed-through State Department of Education General Fund:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CFDA Number</th>
<th>Grant Period</th>
<th>Award Amount</th>
<th>Balance at June 30, 2010</th>
<th>Carryover Amount</th>
<th>Cash Received</th>
<th>Budgetary Expenditures</th>
<th>Repayment of Prior Years' Balances</th>
<th>(Accounts Receivable)</th>
<th>Deferred Revenue</th>
<th>Due to Grantor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education Medicaid Aid</td>
<td>93.778</td>
<td>7/1/10 - 6/30/11</td>
<td>150,059</td>
<td>150,059</td>
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**Total General Fund**

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</tbody>
</table>

### U.S. Department of Education
Passed-through Absecon Board of Education Special Revenue Fund

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CFDA Number</th>
<th>Grant Period</th>
<th>Award Amount</th>
<th>Balance at June 30, 2010</th>
<th>Carryover Amount</th>
<th>Cash Received</th>
<th>Budgetary Expenditures</th>
<th>Repayment of Prior Years' Balances</th>
<th>(Accounts Receivable)</th>
<th>Deferred Revenue</th>
<th>Due to Grantor</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDEA Part B - Basic</td>
<td>84.027</td>
<td>9/1/09 - 8/31/10</td>
<td>182,963</td>
<td>(42,544)</td>
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</tbody>
</table>

**Total Federal Financial Awards**

<p>| | | | | | | | | | | | |</p>
<table>
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<tbody>
<tr>
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<td>(62,975)</td>
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<td>(342,323)</td>
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</tbody>
</table>

Balance at June 30, 2011

The accompanying notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this statement.
ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Balance at June 30, 2010 Balance at June 30, 2011 MEMO

| Federal Grantor/Pass-Through Grantor | Project Number | Grant Period | Amount | Reimbursement Due to Carryover Cash Budgetary Adjustment Total |
|--------------------------------------|----------------|--------------|--------|--------------------|-----------------|
| State Department of Education        |                |              |        |                    | Total General Fund |
| Reimbursed TPAF Social Security Contributions | 495-034-0095-002 | 7/1/10-6/30/11 | 619,558 | 589,477 | (619,558) | (30,081) | 619,558 |
| Total General Fund                  |                |              |        |                    | 1,242,841 |

| Special Revenue Fund                |                |              |        |                    | Total Special Revenue Fund |
| New Jersey Nonpublic Aid            |                |              |        |                    | 1,784,822 |
| Auxiliary Services                  |                |              |        |                    | State Department of Agriculture |
| Compensatory Education              | 100-034-0120-037 | 7/1/09-6/30/10 | 129,393 | (97,141) | 87,141 | - |
| Examination and Classification      | 100-034-0120-066 | 7/1/09-6/30/10 | 50,033 | (366) | 366 | - |
| Corrective Speech                   | 100-034-0120-066 | 7/1/09-6/30/10 | 6,510 | (897) | 897 | - |
| Supplementary Instruction           | 100-034-0120-066 | 7/1/09-6/30/10 | 40,474 | (10,537) | 10,537 | - |
| Total Special Revenue Fund          |                |              |        |                    | 13,125 |

| State Department of Agriculture     |                |              |        |                    | Total State Financial Assistance |
| National School Lunch Program (State Share) | 100-034-0120-122 | 7/1/09-6/30/10 | 5,149 | (543) | 543 | - |
| National School Lunch Program (State Share) | 100-034-0120-122 | 7/1/10-6/30/11 | 2,823 | 2,823 | (2,823) | - |
| School Breakfast Program (State Share) | 100-034-0120-122 | 7/1/09-6/30/10 | 5,153 | (547) | 547 | - |
| Total State Financial Assistance     | 5,149 | 2,823 | 5,153 | - | 13,125 |

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.
Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2011

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, Atlantic County Special Services School. 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 enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE 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 accrual basis of accounting. 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is $547,277 for the general fund and 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 follows:
Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>General fund</th>
<th>Food service fund</th>
<th>Total</th>
</tr>
</thead>
</table>

**State Assistance:**

Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of State Financial Assistance

$ 619,558 | 2,823 | 622,381

Difference – budget to “GAAP”

Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.

On behalf payments recognized for GAAP purposes but not included on the Schedule of Expenditures of State Financial Assistance

547,277 | 547,277

Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances

$ 1,166,835 | 2,823 | 1,169,658
Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Food Service Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Assistance:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual amounts (budgetary)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>&quot;revenues&quot; from the Schedule of Expenditures of Federal Awards</td>
<td>$150,059</td>
<td>212,264</td>
<td>362,323</td>
</tr>
<tr>
<td>Difference - budget to &quot;GAAP&quot; Grant accounting budgetary basis differs from &quot;GAAP&quot; in that encumbrances are recognized as expenditures, and the related revenue is recognized.</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance</td>
<td>$150,059</td>
<td>212,264</td>
<td>362,323</td>
</tr>
</tbody>
</table>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. 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, 2011.
Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued

Unqualified

Internal control over financial reporting:
• Material weakness(es) identified?

yes  X  no

• Significant deficiency(ies) identified?

yes  X  none reported

Noncompliance material to financial statements noted?

yes  X  no

Federal Awards

NOT APPLICABLE

Internal Control over major programs:
• Material weakness(es) identified?

yes  no

• Significant deficiency(ies) identified?

yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

yes  no

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
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</tbody>
</table>

Dollar Threshold used to distinguish between type A and type B programs:  $________

Auditee qualified as low-risk auditee?

yes  no
**State Awards**

Internal Control over major programs:
- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04: yes X no

Identification of major programs:

<table>
<thead>
<tr>
<th>GMIS Number(s)</th>
<th>Name of State Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>495-034-5095-002</td>
<td>Reimbursed TPAF Social Security Contributions</td>
</tr>
</tbody>
</table>

Dollar Threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? X yes no
None

Part 2 -- Schedule of Financial Statement Findings

None

Part 3 -- Schedule of Federal Award Findings and Questioned Costs

None

Part 3 -- Schedule of State Award Findings and Questioned Costs

None

STATUS OF PRIOR YEAR FINDINGS

None