

**SCHOOL DISTRICT
OF
ATLANTIC CITY**

**Auditor's Management Report
For the Fiscal Year Ended June 30, 2016**

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

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FORD - SCOTT

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CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Atlantic City School District in the County of Atlantic for the year ended June 30, 2016, and have issued our report thereon dated October 21, 2016.

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

This report is intended for the information of the management of the Atlantic City Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 21, 2016

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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

<u>Official Bonds</u>		
<u>Name</u>	<u>Position</u>	<u>Amount</u>
Angie Brown	Board Secretary	\$ 75,000.00
Celeste Ricketts	Business Administrator	225,000.00
Joanne M. Shepherd	Treasurer	600,000.00

The Treasurer of School Monies was bonded in a surety bond in accordance with provisions of Title 18A:17-32 within minimum limits of State Board promulgated schedule.

Tuition Charges

The Board is a receiving district for tuition purposes. Proper tuition adjustments to the billings to sending districts were made in accordance with N.J.A.C. 6:20-3.1(f) 3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Account also. All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Finding 2016-1 AMR:

We noted one employee who was no longer eligible to receive benefits as of November 1, 2015; however, benefits were not terminated until March 2016. This employee had been terminated by Human Resources, however, the Benefits department was not notified until February 2016 at which time the employees coverage was terminated immediately.

Financial Planning, Accounting and Reporting - continued

Recommendation 2016-1 AMR:

We recommend that the Human Resource department notify the Benefits Coordinator immediately of all personnel changes that may effect benefits so that the proper action can be taken.

Reserve for Encumbrances, Liability for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Business Administrator / Board Secretary's Records

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

Acknowledgement of the Board's receipt of the Board Secretary's and the Treasurer's monthly financial reports were included in the minutes.

Budget appropriations were not greater than realized revenues and Board authorized use of surplus.

No budgetary line accounts were over-expended during the fiscal year and at June 30.

Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (2R2), for New Jersey Public Schools.

Treasurer's Records

The Board Treasurer's Records were in satisfactory condition.

All required reconciliation's were performed.

All cash receipts were promptly deposited.

The Treasurers Records were in agreement with the Board Secretary.

Elementary and Secondary Education Act of 1965 (E.S.E.A.) / Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001.

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. revealed no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedule A and Schedule B in the CAFR.

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

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

The study of compliance for Other Special Federal and/or State Projects revealed no areas of noncompliance and/or questioned costs.

T.P.A.F. Reimbursement

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A: 18A-2 and 18A: 18A-3(a) are \$40,000.00, respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$17,500.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The results of my examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

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

School Food Service

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures. No exceptions were noted.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

School Food Service - continued

The number of meals claimed for reimbursement were verified against sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted / certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Student Body Activities

During our review of the student activity funds, the records were found to be in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the districts procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2015-16 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency and recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and the awarding of contracts for eligible facilities construction. No exceptions were noted.

Follow-Up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective Action had been taken on all prior year findings.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 21, 2016

NET CASH RESOURCE SCHEDULE

**Net cash resources DID NOT exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2016**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	-
B-4		Due from Other Gov'ts	1,462,827.66
B-4		Accounts Receivable	-
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(1,007,291.10)
B-4		Less Accruals	-
B-4		Less Due to Other Funds	-
B-4		Less Deferred Revenue	-
		Net Cash Resources	<u>455,536.56</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	5,938,776.28	
B-5	Less Depreciation	<u>(77,926.00)</u>	
	Adj. Tot. Oper. Exp.	<u>5,860,850.28</u>	(B)

Average Monthly Operating Expense:

B / 10 **586,085.03** (C)

Three times monthly Average:

3 X C **1,758,255.08** (D)

TOTAL IN BOX A	\$ 455,536.56
LESS TOTAL IN BOX D	\$ 1,758,255.08
NET	<u>\$ (1,302,718.52)</u>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

ATLANTIC CITY SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample for Verification						Private Schools for Disabled										
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on Private Schools		Reported on workpapers		Sample for Verification		Sample Verified		Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	384	-	-	-	-	-	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	525	-	525	-	-	-	-	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One	540	-	540	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Two	524	-	524	-	-	-	-	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Three	489	-	489	-	-	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Four	489	-	489	-	-	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Five	425	-	425	-	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Six	436	-	436	-	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seven	410	-	410	-	-	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	385	-	385	-	-	-	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	504	-	504	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	436	-	436	-	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	360	-	360	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	331	-	331	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	6,238	-	6,238	-	-	-	-	274	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	340	-	340	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle School	227	-	227	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	317	-	317	-	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	884	-	884	-	-	-	-	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	7,122	-	7,122	-	-	-	-	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Percentage Error	0.00%																						
	0.00%																						

**ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	510.0	510.0	-	26	26	-	233	233	-	57	57	-
One	520.0	520.0	-	27	27	-	207	207	-	51	51	-
Two	497.0	497.0	-	26	26	-	164	164	-	40	40	-
Three	477.0	477.0	-	25	25	-	95	95	-	23	23	-
Four	475.0	475.0	-	25	25	-	23	23	-	6	6	-
Five	405.0	405.0	-	21	21	-	20	20	-	5	5	-
Six	415.0	415.0	-	22	22	-	24	24	-	6	6	-
Seven	396.0	396.0	-	21	21	-	15	15	-	4	4	-
Eight	363.0	363.0	-	19	19	-	26	26	-	6	6	-
Nine	395.0	395.0	-	20	20	-	36	36	-	9	9	-
Ten	328.0	328.0	-	17	17	-	30	30	-	7	7	-
Eleven	261.0	261.0	-	14	14	-	30	30	-	7	7	-
Twelve	223.0	223.0	-	13	13	-	19	19	-	5	5	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	5,265.0	5,265.0	-	276	276	-	922	922	-	226	226	-
Special Ed - Elementary	323.0	323.0	-	15	15	-	21	21	-	5	5	-
Special Ed - Middle School	218.0	218.0	-	11	11	-	2	2	-	1	1	-
Special Ed - High School	214.0	214.0	-	10	10	-	-	-	-	-	-	-
Subtotal	755.0	755.0	-	36	36	-	23	23	-	6	6	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	6,020.0	6,020.0	-	312	312	-	945	945	-	232	232	-
Percentage Error	0.00%			0.00%			0.00%			0.00%		

	Transportation		
	Reported on DRTS by DOE/County	Reported on DRTS by District	Sample Tested
Reg. - Public Schools, col. 1	1,103	1,103	202
Reg. - Sp Ed, col. 4	102	102	18
Transported - Non-Public, col. 3	26	26	4
Transported - Non-Public, ALL	38	38	6
Special Ed Special Needs, col. 6	188	188	34
Totals	1,457	1,457	264
Percentage Error	0.00%		

(from dtrts)
Reported **Recalculated**
 7.0 7.0
 7.0 7.0
 9.8 9.8

Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A)
 Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)
 Spec Avg. = Special Ed with Special Needs

ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	7	7	-	5	5	-
One	7	7	-	5	5	-
Two	5	5	-	4	4	-
Three	2	2	-	2	2	-
Four	1	1	-	1	1	-
Five	2	2	-	2	2	-
Six	1	1	-	1	1	-
Seven	-	-	-	-	-	-
Eight	3	3	-	2	2	-
Nine	8	8	-	6	6	-
Ten	6	6	-	5	5	-
Eleven	6	6	-	5	5	-
Twelve	4	4	-	3	3	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	52	52	-	41	41	-
Special Ed - Elementary	2	2	-	1	1	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	2	2	-	1	1	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	54	54	-	42	42	-
Percentage Error			0.00%			0.00%

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**ATLANTIC CITY SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2016**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>149,315,973.30</u>	(B)
Increased by:		
Transfer to Food Service Fund	\$ <u> -</u>	(B1a)
Transfer from General Fund to SRF for Preschool - Regular	\$ <u> -</u>	(B1b)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u> -</u>	(B1c)
Decreased By:		
On-Behalf TPAF Pension & Social Security	\$ <u>16,633,986.65</u>	(B2a)
Assets Acquired Under Capital Leases	<u> -</u>	(B2b)
Adjusted 2015-16 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u><u>132,681,986.65</u></u>	(B3)
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	\$ <u>2,653,639.73</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>2,653,639.73</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>96,158.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>2,749,797.73</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/16 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>15,809,879.13</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>6,384.38</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u> -</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>2,626,231.02</u>	(C3)
Other Restricted Fund Balances ****	\$ <u>4,851,657.00</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>5,575,809.00</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>2,749,797.73</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ <u> -</u>	(E)
<u>Recapitulation of Excess Surplus as of June 30, 2016:</u>		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>2,626,231.02</u>	(C3)
Reserved Excess Surplus ***	\$ <u> -</u>	(E)
Total [(C3) + (E)]	\$ <u><u>2,626,231.02</u></u>	(D)

**ATLANTIC CITY SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2016**

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, and Additional Nonpublic School Transportation Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$ - (H)
Sale & Lease-back	\$ (I)
Extraordinary Aid	\$ 89,546.00 (J1)
Additional Nonpublic School Transportation Aid	\$ 6,612.00 (J2)
Unbudgeted TPAF Wage Freeze Grant Funding	\$ (J3)
Family Crisis Transportation Aid	\$ (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 96,158.00 (K)

** This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2016 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Capital outlay for a district with a capital outlay cap waiver	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 1,213,657.00
Maintenance reserve	\$ 2,000,000.00
Emergency reserve	\$ 510,000.00
Tuition reserve	\$ 853,000.00
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other state/government mandated reserve	\$ 275,000.00
 [Other Restricted Fund Balance not noted above] ****	 \$
 Total Other Restricted Fund Balance	 \$ 4,851,657.00 (C4)