

**Comprehensive Annual
Financial Report**

of the

City of Atlantic City Board of Education

Atlantic County, New Jersey

For the Fiscal Year Ended June 30, 2019

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Introductory Section

ATLANTIC CITY BOARD OF EDUCATION
1300 Atlantic Avenue – 5th Floor, Atlantic City, NJ 08401
(609) 343-7200 ext. 5038 Fax (609) 347-1549

December 6, 2019

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

Dear Board Members of the Atlantic City Board of Education:

The comprehensive annual financial report of the City of Atlantic City School District (District) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's reports 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 1996 and the US. Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The City of Atlantic City School District is an independent reporting entity as 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 City of Atlantic City Board of Education and all its schools constitute the District's reporting entity.

The Atlantic City School District is made up of nine elementary schools, one preschool, one grades 9 through 12 high school. In addition to attending the schools within the district, many students are placed out-of-district for special education, alternative and adult school programs. Included with the high school enrollment are students sent from the neighboring communities of Brigantine, Ventnor, Margate and Longport on a tuition basis.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, Career Readiness as well as special education programs for handicapped children. The District completed the 2018-2019 fiscal year with an enrollment of students of 6,789. The following details the changes in the student enrollment of the District over the last ten years can be found on Schedule J-17 of this audit report.

2) ECONOMIC CONDITION AND OUTLOOK: The Atlantic City Board of Education maintained a surplus during the 2018-2019 fiscal year. This fund balance is infused into the budget to help stabilize the tax levy. The local tax levy represents approximately 75% of the total revenue supporting the general fund for the 2018-2019 fiscal year.

The Board has taken significant steps to ensure that sufficient funds are retained in its fiscal year-end budget to meet its obligation in future years.

Atlantic City tax rates continue to decline with both residential and casino assessment appeals. A city-wide revaluation was completed in 2007 and took effect in August 2008. As a result of ongoing tax appeals, the percentage of tax revenue paid by the casinos has decreased by approximately eight percent.

The District passed a bond referendum question in April 2009 in the amount of \$80,321,000 for the construction of two new schools, the Pennsylvania Ave. School and the Richmond Ave. School. Build America bonds were issued in July 2009 in the amount of \$50,321,000 and the remaining bond authorization in the amount of \$30,000,000 were issued in March of 2011. In addition, the district has refinanced all other eligible outstanding bond issues resulting in long term debt savings.

3) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principle (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 and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the District. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30th.

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

6) DEBT ADMINISTRATION: At June 30, 2019 the District's outstanding debt issues totaled \$64,444,000.00 of general obligation bonds.

The District also completed a refunding of the 2009 Build America Bonds in 2019. There was an estimated cost savings of approximately 1.3 million dollars.

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

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, hazard insurance on property and contents, errors and omissions as well as automobile liability and comprehensive/collision. Key employees hold fidelity bonds. The district has a self-funded workers compensation insurance program.

9) 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 Ford, Scott & Associates, LLC CPAs. 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 and the related OMB Uniform Guidance and New Jersey OMB Circular 15-08. 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.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Atlantic City Board for their diligence in providing accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of District's goals and objectives. The preparation of this report could not have been accomplished without the dedicated services of our financial and accounting staff.

Respectfully submitted,

Barry Caldwell
Barry Caldwell
Superintendent of Schools

Celeste Ricketts
Celeste Ricketts
Business Administrator

ATLANTIC CITY BOARD OF EDUCATION 2019 – 2020

Board of Education

Superintendent

General
Counsel

Confidential Assistant to the
Superintendent/
Assistant Board Secretary

Operations Department
Page 2

Confidential
Secretary(C & I)

Receptionist

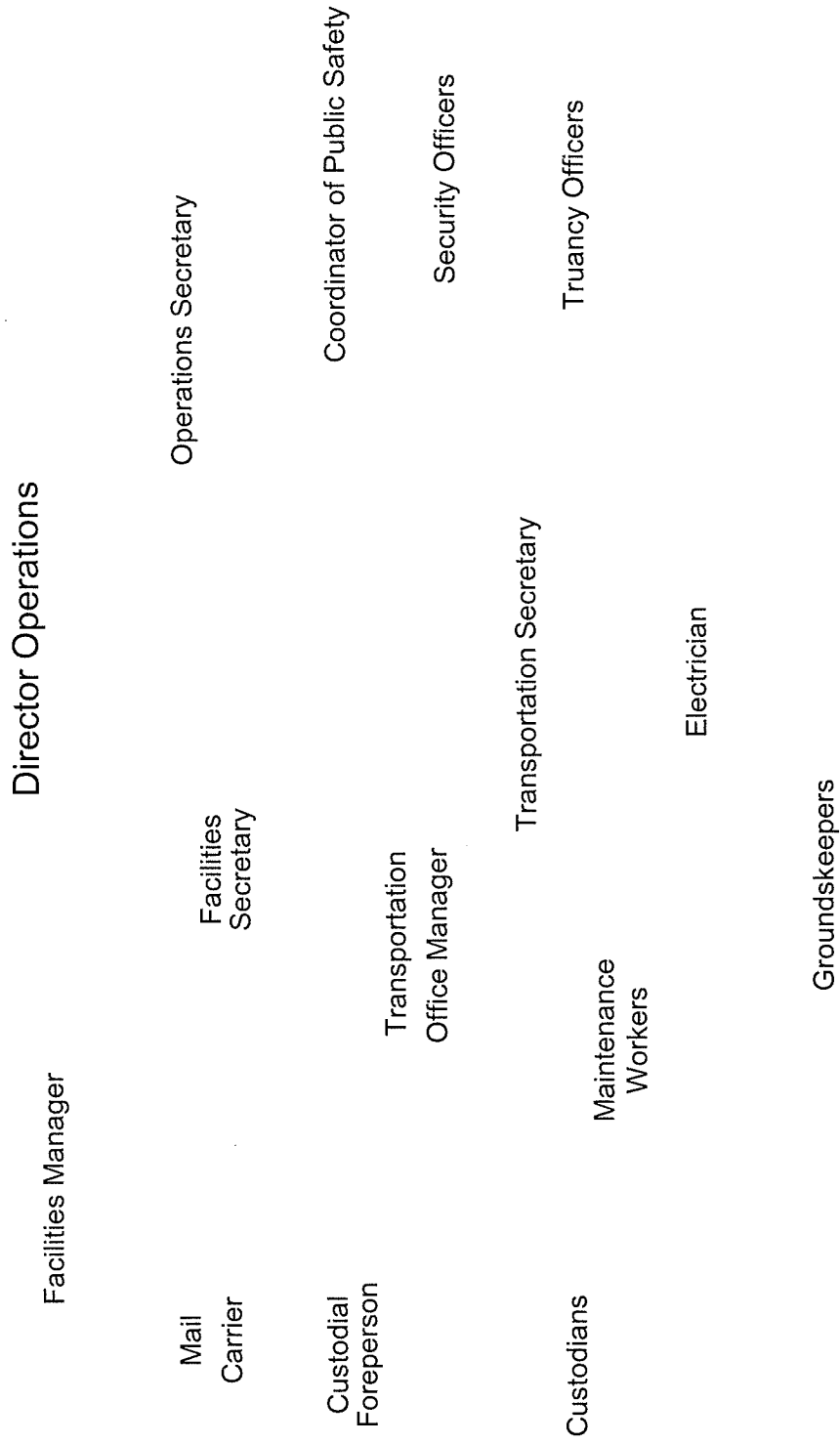
Assistant Superintendent C & I
Page 3 & 4

Human Resources
& Central Registration
Page 6

Special Education
Page 5

Business Office
Page 7

OPERATIONS 2019 - 2020



CURRICULUM & INSTRUCTION 2019 - 2020

Assistant Superintendent of
Curriculum & Instruction

Director: Elementary Education

Confidential Secretary /
Administrative Assistant

Director: Secondary
Education

District Teacher
Coordinators

Director : Special Services
See page 5

Bilingual /ESL
Coordinator

Preschool Coaches

Director: Athletics

Community & Parent
Involvement Specialists

Secretary

Title I Coordinator

Director: Assessments &
Special Projects

Secretary

Hardware Technicians

Parent Centers

Senior Computer Operator

Computerized Business Service

CURRICULUM & INSTRUCTION Continued

Assistant Superintendent

High School Principal		* Elementary Principals
Secretary	Assistant Principal	
	*Secretaries	
Assistant Principal	Assistant Principal	* Secretaries
	Secretary	*Elementary Teachers
Secretary	Secretary	*School Nurse
	* High School Teachers	*Guidance Counselors
Guidance Counselors	School Nurse (2)	
		Attendance Officer VACANCY
*Secretaries	Test Coordinator Vacancy	
Secretary Records	SAC Coordinators	

STUDENT & STAFF SERVICES 2019 - 2020

Superintendent

Assistant Superintendent

Director: Special Services

Child Study Teams

Secretary

Child Study Team
Secretaries

Secretary

LDTC-C

Social
Workers

Speech
Specialist

HUMAN RESOURCES & Central Registration 2019 - 2020

Superintendent

Assistant Superintendent

Human Resources

Central Registration

Director: Human Resources

Manager

Confidential Secretary

Secretary

Manager

Confidential Secretary
Certified Staff

Confidential Secretary
Support Staff

BUSINESS OFFICE

2019 - 2020

Superintendent

Business
Administrator

Assistant Superintendent

Administrative Assistant/
Board Secretary

Payroll Clerk

Purchasing Administrator

Payroll Clerk

Secretary Accounts
Payable

Pension / Agency
Payroll Clerk

Secretary
Purchasing

Secretary Accounts
Receivable

Benefits Clerk

Inventory Control Clerk
(ACHS)

Bookkeeper
Food Services

Student Activities
Clerk

Bookkeeper

Bookkeeper Special
Revenue

Treasurer of School Monies

**CITY OF ATLANTIC CITY
BOARD OF EDUCATION
COUNTY OF ATLANTIC, NEW JERSEY**

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2019**

MEMBERS OF BOARD OF EDUCATION

Patricia Bailey, President
Constance Days-Chapman, Vice President
Ruth Byard
John Devlin
Farook Hossain
Walter Johnson
Shay Steele
Allen Thomas
Sharon Zappia

Kim Bassford, Ventnor Representative

STATE APPOINTED MONITOR

Ronald Fisher

SUPERINTENDENT

Barry S. Caldwell

BUSINESS ADMINISTRATOR

Celeste Ricketts

BOARD SECRETARY

Angela Brown

TREASURER OF SCHOOL MONIES

Joanne M. Shepherd

**CITY OF ATLANTIC CITY
BOARD OF EDUCATION
COUNTY OF ATLANTIC, NEW JERSEY**

**CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2019**

INDEPTEDENT AUDITOR

Ford, Scott & Associates, LLC
Certified Public Accountants
1535 Haven Avenue
Ocean City, NJ 08226

ATTORNEY

Tracy Riley – Law Offices of Riley & Riley
100 High Street, Suite 302,
Mt. Holly, NJ 08060

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
75 Livingston Ave
Roseland, New Jersey 07068

OFFICIAL DEPOSITRY

OceanFirst Bank

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantic City School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantic City School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Atlantic City School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019 on our consideration of the City of Atlantic City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Atlantic City School District's internal control over financial reporting and compliance.

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

December 6, 2019

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Required Supplementary Information – Part I

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The discussion and analysis of City of Atlantic City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, net position increased \$2,435,208.14, which represents a 3 percent increase from 2018. The increase was mainly the result of State Aid received in the 18-19 School year.
- General revenues accounted for \$138,161,666.85 in revenue or 67 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$67,242,910.90 or 33 percent of total revenues of \$205,404,577.75.
- Total governmental assets decreased by \$1,571,503.93 as Cash and cash equivalents increased by \$99,629.80, receivables decreased by \$1,565,828.27, and net capital assets decreased by \$3,236,962.00.
- The School District had \$203,034,898.61 in expenses; \$67,242,910.90 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$138,161,666.85 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$205,404,577.75 in revenues and \$202,969,369.61 in expenditures. The General Fund's fund balance increased \$2,435,208.14 from 2018.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Changes in Net Position provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of City of Atlantic City School District, the General Fund is by far the most significant fund.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Changes in Net Position

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses.

This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those positions. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Changes in Net Position, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Reading Recovery enterprise funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Permanent Fund.

Governmental Funds

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2019 and 2018.

**Table 1
Net Position**

	2019	2018
Assets		
Current and Other Assets	\$ 53,707,710.93	51,646,700.30
Capital Assets	141,843,079.06	145,090,553.06
Total Assets	195,550,789.99	196,737,253.36
 Deferred Outflow of Resources		
Loss of Refunding of Long Term Debt	1,333,715.55	39,191.17
Deferred Outflows Related to Pensions	8,267,372.00	13,098,314.00
	9,601,087.55	13,137,505.17
 Liabilities		
Long-Term Liabilities	98,697,115.00	114,438,715.00
Other Liabilities	12,155,400.30	8,005,607.43
Total Liabilities	110,852,515.30	122,444,322.43
 Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	17,522,712.00	13,088,994.00
 Net Position		
Invested in Capital Assets, Net of Debt	78,732,794.61	78,618,744.23
Restricted	35,753,535.33	35,539,161.48
Unrestricted	(37,709,679.70)	(39,816,463.61)
Total Net Position	\$ 76,776,650.24	74,341,442.10

The District's combined net position was \$76,776,650.24 on June 30, 2019. This was an increase of \$2,435,208.14 from the prior year.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Table 2 shows changes in net assets for fiscal years 2019 and 2018.

**Table 2
Changes in Net Position**

	2019	2018
Revenues		
Program Revenues:		
Charges for Services	\$ 6,516,640.22	7,581,682.01
Operating Grants and Contributions	60,726,270.68	75,572,707.19
General Revenues:		
Property Taxes	87,785,483.00	87,772,566.00
Grants and Entitlements	49,317,540.08	55,925,893.72
Other	1,058,643.77	1,052,916.74
Total Revenues	205,404,577.75	227,905,765.66
Program Expenses		
Instruction	116,470,618.75	125,668,912.60
Support Services:		
Tuition	15,029,126.62	15,780,498.66
Related Services - Pupils and Instructional Staff	25,812,224.44	28,370,372.30
General Administration, School Administration	9,761,065.37	10,762,587.84
Central Services and Maintenance of Facilities	22,664,571.26	21,652,068.04
Pupil Transportation	5,178,798.92	4,884,905.07
Interest on Debt	2,509,214.04	3,379,106.18
Food Service	5,603,054.05	5,729,042.66
Reading Recovery	6,225.16	20,566.78
Total Expenses	203,034,898.61	216,248,060.13
Adjustment to Fixed Assets	65,529.00	43,692.00
Increase in Net Position	\$ 2,435,208.14	11,701,397.53

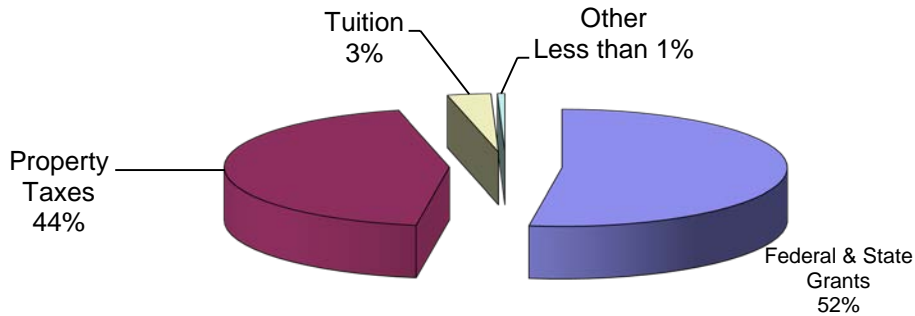
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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Governmental Activities

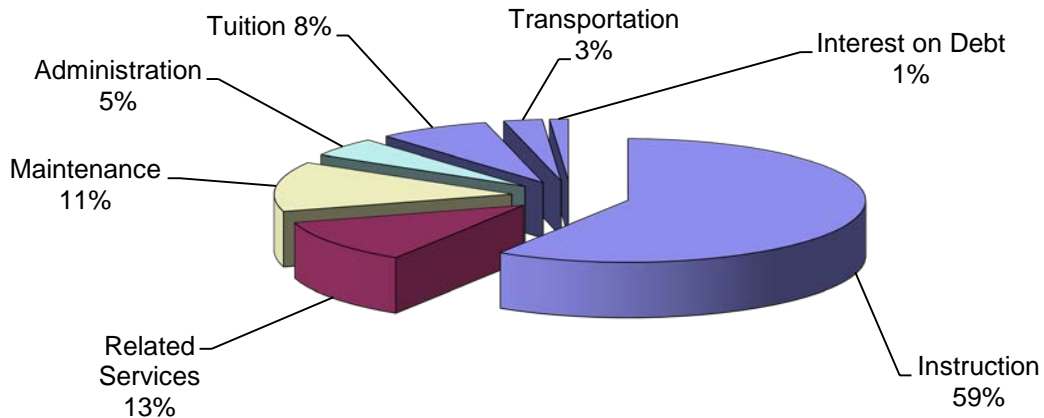
Property taxes made up 44 percent of revenues for governmental activities for the School District for fiscal year 2019. The District's total revenues were \$199,475,786.98 for the year ended June 30, 2019. Federal, state, and local grants accounted for another 52 percent of revenue.

Sources of Revenue for 2019



The total cost of all program and services was \$197,425,619.40. Instruction comprises 59 percent of District expenses.

Expenses for 2019



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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded expenses by \$319,511.56.
- Charges for services represent \$309,313.40 of revenue. This represents amounts paid by patrons for daily food service fees.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$5,619,477.37.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Instruction	\$ 116,470,618.75	69,311,779.92	\$ 125,668,912.60	67,355,488.42
Support Services:				
Tuition	15,029,126.62	15,029,126.62	15,780,498.66	15,780,498.66
Pupils and Instructional Staff	25,812,224.44	13,422,946.67	28,370,372.30	12,778,698.30
General Administration, School Administration	9,761,065.37	9,402,549.83	10,762,587.84	9,966,686.30
Business Operation and Maintenance of Facilities	22,664,571.26	21,875,144.84	21,652,068.04	20,054,701.12
Pupil Transportation	5,178,798.92	5,178,798.92	4,884,905.07	4,884,905.07
Capital Outlay	-	(118,851.57)	-	(236,024.03)
Interest and Fiscal Charges	2,509,214.04	2,010,004.04	3,379,106.18	2,880,649.18
Total Expenses	<u>\$ 197,425,619.40</u>	<u>136,111,499.27</u>	<u>\$ 210,498,450.69</u>	<u>133,465,603.02</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition is predominately made up of charges from other schools for special education students.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, debt service fund and permanent fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues, not including other financing sources amounted to \$180,984,071.98 and expenditures were \$180,097,380.08. The net increase in fund balance for the year was \$886,691.90. This reflects the District's budgeted use of fund balance, the deferral of the final state aid payment, and the expenditure of Capital Project Funds for construction costs and the proceeds of bonds issued during the year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2018</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 95,073,454.51	52.53%	\$ (968,525.92)	-1.01%
State Sources	74,090,240.71	40.94%	(5,580,557.14)	-7.00%
Federal Sources	11,820,376.76	6.53%	1,022,234.91	9.47%
Total	<u>\$ 180,984,071.98</u>	<u>100.00%</u>	<u>\$ (5,526,848.15)</u>	<u>-2.96%</u>

Local revenues decreased by \$968,525.92. The net decrease in local revenue was predominately due to a decrease in Tuition charges compared to 2018.

State Sources decreased \$5,580,557.14 mostly due to the State aid and On-behalf contributions.

Federal Sources increased by \$1,022,234.91 mostly due to an increase of Title grant funds by almost \$1.1 million.

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2019, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2019</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	\$ 68,972,337.51	38.30%	\$ 1,506,244.13	2.23%
Undistributed expenditures	101,481,568.14	56.35%	3,184,362.75	3.24%
Capital Outlay	3,186,359.71	1.77%	2,314,686.47	265.55%
Debt Service	6,457,114.72	3.59%	7,951.62	0.12%
Total	<u>\$ 180,097,380.08</u>	<u>100.00%</u>	<u>\$ 7,013,244.97</u>	<u>4.05%</u>

Instructional expenses increase was predominately due to an increase in salaries for other Special Instruction.

Undistributed expenses increased predominately due to an increase in employee benefits and On-behalf contributions.

Capital outlay increased due to construction costs related to capital purchases for required maintenance, grounds, and security in the 18-19 school year.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Capital Assets

At the end of the fiscal year 2019, the School District had \$141,843,079.06 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to 2019.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	2019	2018
Land	\$ 17,817,780.00	\$ 17,817,780.00
Construction in Progress		-
Building and Building Improvements	120,312,347.06	123,226,692.06
Machinery and Equipment	3,712,952.00	4,046,081.00
Total	\$ 141,843,079.06	\$ 145,090,553.06

Overall capital assets decreased \$3,247,474.00 from fiscal year 2018 to fiscal year 2019. The decrease in capital assets is due to depreciation charges being more than new capital purchases. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2019, the School District had \$64,444,000.00 of outstanding debt.

**Table 5
Outstanding Bonded Debt at June 30,**

	2019	2018
2009 Build America Bonds	1,690,000.00	41,076,000.00
2011 General Obligation Bonds	22,300,000.00	23,350,000.00
2012 General Obligation Refunding Bonds	1,415,000.00	2,085,000.00
2018 General Obligation Refunding Bonds	39,039,000.00	-
Total	\$ 64,444,000.00	\$ 66,511,000.00

At June 30, 2019, the School District is within its legal debt capacity.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

For the Future

The City of Atlantic City School District continues to deal with a significant decrease in rateables due to the closing of several gaming properties over the last few years. However, the School District is proud of its community support of the public schools. Another major concern is the lack of sufficient state aid, which increases reliance on local property taxes.

In conclusion, the City of Atlantic City School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Celeste Ricketts, Business Administrator, at the City of Atlantic City School District, 1300 Atlantic Avenue, Atlantic City, NJ 08401.

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 40,909,321.11	\$ 651,700.91	\$ 41,561,022.02
Receivables, Net	11,051,742.58	1,041,042.66	12,092,785.24
Inventory	-	53,903.67	53,903.67
Capital Assets, not Depreciated	17,817,780.00	-	17,817,780.00
Capital Assets, Net	123,456,510.06	568,789.00	124,025,299.06
Total Assets	193,235,353.75	2,315,436.24	195,550,789.99
Deferred Outflow of Resources			
Loss on Refunding of Long-Term Debt	1,333,715.55	-	1,333,715.55
Deferred Outflows Related to Pensions	8,267,372.00	-	8,267,372.00
Total Deferred Outflow of Resources	9,601,087.55	-	9,601,087.55
LIABILITIES			
Accounts Payable	2,899,616.48	-	2,899,616.48
Workers Compensation Claims Payable	4,005,688.93	-	4,005,688.93
Deferred Revenue	866,039.95	-	866,039.95
Due to the State	26,642.94	-	26,642.94
Accrued Interest	326,412.00	-	326,412.00
Noncurrent Liabilities			
Due Within One Year	4,031,000.00	-	4,031,000.00
Due Beyond One Year	62,145,865.00	-	62,145,865.00
Net Pension Liability	36,551,250.00	-	36,551,250.00
Total Liabilities	110,852,515.30	-	110,852,515.30
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	17,522,712.00	-	17,522,712.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	78,164,005.61	568,789.00	78,732,794.61
Restricted for:			
Capital Projects	11,119,501.08	-	11,119,501.08
Maintenance	3,002,000.00	-	3,002,000.00
Other Purposes	21,632,034.25	-	21,632,034.25
Unrestricted	(39,456,326.94)	1,746,647.24	(37,709,679.70)
Total Net Position	\$ 74,461,214.00	\$ 2,315,436.24	\$ 76,776,650.24

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Statement of Changes in Net Position
For the Year Ended June 30, 2019

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Direct Expenses	Allocated Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 40,838,124.83	\$ 25,106,655.58	\$ 6,207,326.82	\$ 18,058,397.17	\$ -	\$ (41,679,056.42)	\$ -	\$ (41,679,056.42)
Special Education	22,544,979.57	13,860,309.18	-	19,026,326.73	-	(17,378,962.02)	-	(17,378,962.02)
Other Special Instruction	8,744,539.95	5,376,009.64	-	3,866,788.11	-	(10,253,761.48)	-	(10,253,761.48)
Support Services:								
Tuition	15,029,126.62	-	-	-	-	(15,029,126.62)	-	(15,029,126.62)
Student & Instruction Related Services	15,984,932.20	9,827,282.24	-	12,389,277.77	-	(13,422,946.67)	-	(13,422,946.67)
General Administrative Services	2,719,950.34	597,190.95	-	121,836.75	-	(3,195,305.54)	-	(3,195,305.54)
School Administrative Services	5,283,812.76	1,160,111.32	-	236,679.79	-	(6,207,244.29)	-	(6,207,244.29)
Plant Operation and Maintenance	16,429,856.63	3,350,143.40	-	683,478.60	-	(19,096,521.43)	-	(19,096,521.43)
Pupil Transportation	5,178,798.92	-	-	105,947.82	-	(5,178,798.92)	-	(5,178,798.92)
Central and Info. Tech. Services	2,365,256.65	519,314.58	-	-	-	(2,778,623.41)	-	(2,778,623.41)
Unallocated Benefits	54,618,682.89	(54,618,682.89)	-	-	-	-	-	-
Unallocated Depreciation	5,178,344.00	(5,178,344.00)	-	-	-	-	-	-
Capital Outlay	-	-	-	118,851.57	-	118,851.57	-	118,851.57
Interest on Long-Term Debt	2,509,214.04	-	-	-	499,210.00	(2,010,004.04)	-	(2,010,004.04)
Total Governmental Activities	197,425,619.40	0.00	6,207,326.82	54,607,583.31	499,210.00	(136,111,499.27)	-	(136,111,499.27)
Business-Type Activities:								
Food Service	5,603,054.05	-	305,713.40	5,619,477.37	-	-	322,136.72	322,136.72
Reading Recovery	6,225.16	-	3,600.00	-	-	-	(2,625.16)	(2,625.16)
Total Business-Type Activities	5,609,279.21	-	309,313.40	5,619,477.37	-	-	319,511.56	319,511.56
Total Primary Government	\$ 203,034,898.61	\$ 0.00	\$ 6,516,640.22	\$ 60,227,060.68	\$ 499,210.00	\$ (136,111,499.27)	\$ 319,511.56	\$ (135,791,987.71)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net						\$ 37,118,294.00	\$ -	\$ 37,118,294.00
Taxes Levied for Debt Service						5,896,593.00	-	5,896,593.00
Casino PILOT						44,770,596.00	-	44,770,596.00
Federal and State Aid not Restricted						49,317,540.08	-	49,317,540.08
Miscellaneous Income						1,058,643.77	-	1,058,643.77
Transfers						-	-	-
Total General Revenues						138,161,666.85	-	138,161,666.85
Total General Revenues, Special Items, Extraordinary Items and Transfers						138,161,666.85	-	138,161,666.85
Change in Net Position						2,050,167.58	319,511.56	2,369,679.14
Adjustment to Fixed Assets						-	65,529.00	65,529.00
Net Assets - Beginning						72,411,046.42	1,930,395.68	74,341,442.10
Net Assets - Ending						\$ 74,461,214.00	\$ 2,315,436.24	\$ 76,776,650.24

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

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 38,865,700.18	\$ -	\$ 2,043,620.93	\$ -	\$ 40,909,321.11
Receivables from Federal and State Government	598,402.52	2,880,621.54	-	-	3,479,024.06
Other Receivables	7,572,718.52	-	-	-	7,572,718.52
Interfunds Receivable	2,203,968.42	-	851,172.00	-	3,055,140.42
Total Assets	\$ 49,240,789.64	\$ 2,880,621.54	\$ 2,894,792.93	\$ -	\$ 55,016,204.11
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,899,616.48	\$ -	\$ -	\$ -	\$ 2,899,616.48
Due to the State	-	26,642.94	-	-	26,642.94
Interfund Payable	851,172.00	2,162,882.57	41,085.85	-	3,055,140.42
Workers Compensation Claims Payable	4,005,688.93	-	-	-	4,005,688.93
Deferred Revenue	-	866,039.95	-	-	866,039.95
Total Liabilities	7,756,477.41	3,055,565.46	41,085.85	-	10,853,128.72
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	9,876,566.06	-	-	-	9,876,566.06
Reserve for Excess Surplus	8,987,412.11	-	-	-	8,987,412.11
Special Revenue	-	(174,943.92)	-	-	(174,943.92)
Capital Projects	-	-	2,853,707.08	-	2,853,707.08
Debt Service	-	-	-	-	-
Maintenance Reserve	3,002,000.00	-	-	-	3,002,000.00
Capital Reserve	8,265,794.00	-	-	-	8,265,794.00
Tuition Reserve	1,943,000.00	-	-	-	1,943,000.00
Emergency Reserve	1,000,000.00	-	-	-	1,000,000.00
Committed Fund Balance: Other Purposes	1,181,443.06	-	-	-	1,181,443.06
Assigned Fund Balance: Designated for Subsequent Year's Expenditures:					
General	6,638,831.94	-	-	-	6,638,831.94
Maintenance Reserve	-	-	-	-	-
Unassigned Fund Balance	589,265.06	-	-	-	589,265.06
Total Fund Balances (Deficits)	41,484,312.23	(174,943.92)	2,853,707.08	-	44,163,075.39
Total Liabilities and Fund Balances	\$ 49,240,789.64	\$ 2,880,621.54	\$ 2,894,792.93	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.
The cost of the assets is \$242,567,639.06 and the accumulated depreciation is \$101,293,349.00.

141,274,290.06

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(326,412.00)

Pension Liabilities Net of Deferred Outflows & Inflows

(45,806,590.00)

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(64,843,149.45)

Net assets of governmental activities

\$ 74,461,214.00

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 37,118,294.00	\$ -	\$ -	\$ 5,896,593.00	\$ 43,014,887.00
Casino PILOT	44,770,596.00	-	-	-	44,770,596.00
Tuition Charges	6,207,326.82	-	-	-	6,207,326.82
Interest Earned on Reserve Funds	-	-	41,085.85	-	41,085.85
Miscellaneous	1,017,557.92	22,000.92	-	-	1,039,558.84
Total Local Sources	89,113,774.74	22,000.92	41,085.85	5,896,593.00	95,073,454.51
State Sources	70,583,512.12	3,007,518.59	-	499,210.00	74,090,240.71
Federal Sources	353,158.08	11,467,218.68	-	-	11,820,376.76
Total Revenues	<u>160,050,444.94</u>	<u>14,496,738.19</u>	<u>41,085.85</u>	<u>6,395,803.00</u>	<u>180,984,071.98</u>
EXPENDITURES					
Current:					
Regular Instruction	39,051,614.05	-	-	-	39,051,614.05
Special Education Instruction	12,501,664.36	9,057,059.12	-	-	21,558,723.48
Other Special Instruction	8,361,999.98	-	-	-	8,361,999.98
Support Services and Undistributed Costs:					
Tuition	15,029,126.62	-	-	-	15,029,126.62
Student & Instruction Related Serv.	9,789,881.51	5,495,771.42	-	-	15,285,652.93
General Administrative Services	2,633,755.27	-	-	-	2,633,755.27
School Administrative Services	5,116,369.04	-	-	-	5,116,369.04
Plant Operation and Maintenance	14,774,935.67	-	-	-	14,774,935.67
Pupil Transportation	5,178,798.92	-	-	-	5,178,798.92
Central and Info. Tech. Services	2,290,301.80	-	-	-	2,290,301.80
Unallocated Employee Benefits	41,172,627.89	-	-	-	41,172,627.89
Debt Service:					
Principal	-	-	-	3,325,000.00	3,325,000.00
Interest and Other Charges	-	-	-	3,132,114.72	3,132,114.72
Capital Outlay	3,064,058.14	118,851.57	3,450.00	-	3,186,359.71
Total Expenditures	<u>158,965,133.25</u>	<u>14,671,682.11</u>	<u>3,450.00</u>	<u>6,457,114.72</u>	<u>180,097,380.08</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,085,311.69</u>	<u>(174,943.92)</u>	<u>37,635.85</u>	<u>(61,311.72)</u>	<u>886,691.90</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	41,085.85	-	851,172.00	61,311.72	953,569.57
Transfer out	(912,483.72)	-	(41,085.85)	-	(953,569.57)
Total Other Financing Sources and Uses	<u>(871,397.87)</u>	<u>-</u>	<u>810,086.15</u>	<u>61,311.72</u>	<u>-</u>
Net Changes in Fund Balance	213,913.82	(174,943.92)	847,722.00	-	886,691.90
Fund Balance - July 1	41,270,398.41	-	2,005,985.08	-	43,276,383.49
Fund Balance (Deficit) - June 30	<u>\$ 41,484,312.23</u>	<u>\$ (174,943.92)</u>	<u>\$ 2,853,707.08</u>	<u>\$ -</u>	<u>\$ 44,163,075.39</u>

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 886,691.90

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, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (5,178,344.00)	
Capital Outlay	<u>1,941,382.00</u>	(3,236,962.00)

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions - PERS	1,846,501.00	
Cost of benefits earned net of employee contributions	<u>(1,523,396.00)</u>	323,105.00

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.

Bonds		2,067,000.00
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Governmental funds report the effect of gain or loss on the refunding of debt, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of long-term debt related items.

Amortization of Deferred Amount on Refunding (Loss)		1,294,524.38
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) 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.

55,835.00

In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

659,973.30

Change in Net Assets of Governmental Activities		<u><u>\$ 2,050,167.58</u></u>
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CITY OF ATLANTIC CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2019

	Business-Type Activities - Enterprise Fund		
	Food Service	Reading Recovery	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 614,251.97	\$ 37,448.94	\$ 651,700.91
Accounts Receivable	1,041,042.66	-	1,041,042.66
Inventories	53,903.67	-	53,903.67
Total Current Assets	<u>1,709,198.30</u>	<u>37,448.94</u>	<u>1,746,647.24</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	1,592,600.00	-	1,592,600.00
Less: Accumulated Depreciation	<u>(1,023,811.00)</u>	<u>-</u>	<u>(1,023,811.00)</u>
Total Noncurrent Assets	<u>568,789.00</u>	<u>-</u>	<u>568,789.00</u>
 Total Assets	 <u>\$ 2,277,987.30</u>	 <u>\$ 37,448.94</u>	 <u>\$ 2,315,436.24</u>
NET ASSETS			
Invested in Capital Assets Net of Related Debt	568,789.00	-	568,789.00
Unrestricted	1,709,198.30	37,448.94	1,746,647.24
 Total Net Assets	 <u>\$ 2,277,987.30</u>	 <u>\$ 37,448.94</u>	 <u>\$ 2,315,436.24</u>

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2019

	Business-Type Activities - Enterprise Fund		
	Food Service	Reading Recovery	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 38,730.68	\$ -	\$ 38,730.68
Daily Sales - Non Reimbursable Programs	266,982.72	-	266,982.72
Program Fees	-	3,600.00	3,600.00
Total Operating Revenue	<u>305,713.40</u>	<u>3,600.00</u>	<u>309,313.40</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	2,172,739.37	-	2,172,739.37
Cost of Sales - Non Reimbursable Programs	67,516.15	-	67,516.15
Salaries	1,672,899.70	-	1,672,899.70
Employee Benefits	645,320.11	-	645,320.11
Management Fee	464,040.26	-	464,040.26
Professional Development Services		6,225.16	6,225.16
Insurance & Other Non Controllable Costs	231,564.61	-	231,564.61
Direct Costs	257,514.31	-	257,514.31
Miscellaneous	15,418.54	-	15,418.54
Depreciation	76,041.00	-	76,041.00
Total Operating Expenses	<u>5,603,054.05</u>	<u>6,225.16</u>	<u>5,609,279.21</u>
Operating Income (Loss)	<u>(5,297,340.65)</u>	<u>(2,625.16)</u>	<u>(5,299,965.81)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	50,532.26	-	50,532.26
Federal Sources:			
National School Lunch Program	3,010,205.20	-	3,010,205.20
School Breakfast Program	1,896,317.42	-	1,896,317.42
Child and Adult Care Food Program	250,369.34	-	250,369.34
Fresh Fruit and Vegetable Program	244,704.06	-	244,704.06
Food Distribution Program	167,349.09	-	167,349.09
Total Nonoperating Revenues (Expenses)	<u>5,619,477.37</u>	<u>-</u>	<u>5,619,477.37</u>
Income (Loss) before Contributions & Transfers	322,136.72	(2,625.16)	319,511.56
Fixed Asset Adjustment	65,529.00	-	65,529.00
Transfers In (Out)	-	-	-
Changes in Net Assets	387,665.72	(2,625.16)	385,040.56
Total Net Assets - Beginning (Deficit)	1,890,321.58	40,074.10	1,930,395.68
Total Net Assets - Ending	<u>\$ 2,277,987.30</u>	<u>\$ 37,448.94</u>	<u>\$ 2,315,436.24</u>

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2019

	Business-Type Activities - Enterprise Fund		
	Food Service	Reading Recovery	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 305,713.40	\$ 3,600.00	\$ 309,313.40
Payment for Salaries	(1,672,899.70)	-	(1,672,899.70)
Payments for Benefits	(645,320.11)	-	(645,320.11)
Payments for Suppliers	(3,222,514.20)	(6,225.16)	(3,228,739.36)
Net Cash Provided by (Used for) Operating Activities	<u>(5,235,020.61)</u>	<u>(2,625.16)</u>	<u>(5,237,645.77)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal and State Sources	5,570,990.80	-	5,570,990.80
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>5,570,990.80</u>	<u>-</u>	<u>5,570,990.80</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net Increase (Decrease) in Cash and Cash Equivalents	335,970.19	(2,625.16)	333,345.03
Balance - Beginning of Year	278,281.78	40,074.10	318,355.88
Balance - End of Year	<u>\$ 614,251.97</u>	<u>\$ 37,448.94</u>	<u>\$ 651,700.91</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (5,297,340.65)	\$ (2,625.16)	\$ (5,299,965.81)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	76,041.00	-	76,041.00
(Increase) Decrease in Inventories	(13,720.96)	-	(13,720.96)
Total Adjustments	<u>62,320.04</u>	<u>-</u>	<u>62,320.04</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,235,020.61)</u>	<u>\$ (2,625.16)</u>	<u>\$ (5,237,645.77)</u>

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
For the Year Ended June 30, 2019

	<u>Expendable Trusts</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,612,375.21	\$ 438,261.24
Total Assets	<u>\$ 2,612,375.21</u>	<u>\$ 438,261.24</u>
LIABILITIES		
Payable to Student Groups		\$ 179,505.37
Accounts Payable	42,578.24	
Payroll Deductions and Withholdings		258,755.87
Total Liabilities	<u>42,578.24</u>	<u>\$ 438,261.24</u>
NET ASSETS		
Held in Trust for Unemployment		
Claims and Other Purposes	2,532,346.83	
Reserved for Scholarships	37,450.14	
Total Net Assets	<u>\$ 2,569,796.97</u>	

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2019

	Trusts
ADDITIONS	
Contributions:	
Donations	\$ 9,000.00
Employee Withholdings	190,997.29
Board of Education Contributions	-
Total Contributions	199,997.29
Investment Earnings:	
Interest	466.50
Net Investment Earnings	466.50
Total Additions	200,463.79
DEDUCTIONS	
Scholarships Awarded	13,265.00
Unemployment Claims	119,896.98
Total Deductions	133,161.98
Changes in Net Assets	67,301.81
Net Assets - Beginning of the Year	2,502,495.16
Net Assets - End of the Year	\$ 2,569,796.97

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

Notes to the Financial Statements

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is a Type II district located in Atlantic County. The Board consists of members elected to three-year terms. The purpose of the district is to educate students in grades Preschool through Grade 12. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the City of Atlantic City School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. REPORTING ENTITY:

The School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. Effective with the 2012 fiscal year, the election of Board Members was moved to the general election in November. The purpose of the district is to educate students in grades K-12. The District had an enrollment at June 30, 2019 of 6789 students.

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

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

Based on the aforementioned criteria, the District has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The 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 program and reading recovery funds are classified as business-type activities.

In the governmental-wide Statement of Net Position, 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 position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. 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 and reading recovery). The functions are also supported by general government revenues (property taxes, 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 (regular instruction, vocational programs, 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.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

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 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 State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

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 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. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Non-spendable – 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:

The details of the fund balances are included in the Governmental Funds Balance Sheet. 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.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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 operates a food service fund to provide a child nutrition program for the students of the district.
- b. The District's Enterprise Funds are comprised of the Food Service Fund and the Reading Recovery Fund.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 position and changes in net position, and are reported using accounting principles similar to proprietary funds.

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.

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust and the Scholarship Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

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.

All fund internal activity is eliminated when carried to the Government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

E. BUDGETS/BUDGETARY CONTROL

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Programs	
Instruction	(264,278.99)
Multiple Disabilities	(551,731.96)
Resource Room/Resource Center	1,093,363.45
Basic Skills/Remedial Instruction	259,800.00
Undistributed Expend	
General Administration	(274,345.99)
Custodial Services	365,586.60
Capital Outlay	
Equipment	1,680,788.75
Facilities Acquisition and Construction	(841,172.00)
Transfer of Funds to Charter Schools	317,571.00

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

F. ENCUMBRANCE ACCOUNTING

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.

G. ASSETS, LIABILITIES AND EQUITY

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits 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.

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

Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

Inter-fund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the district is \$2,000.00.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions, which limit these payouts to \$15,000 per employee.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represent the difference between assets and liabilities. Net positions invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net positions are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education, Superintendent or Business Administrator.
- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Revenues – Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service and state aid for reading recovery. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Pensions

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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. The final cost is based on an agreement with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

Tuition Payable

Tuition charges for the fiscal years 2018/19 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods after June 15, 2018, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interest – an amendment of GASB Statement No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

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, 2019, \$2,760,879.44 of the government’s bank balance of \$51,144,218.74 was exposed to custodial credit risk.

At June 30, 2019, the carrying amount of the District’s deposits (cash and cash equivalents) was \$44,611,658.47 and the bank balance was \$51,144,218.74.

As of June 30, 2019, the District’s bank balance was exposed to custodial credit risk as follows:

		<u>Cash and Cash Equivalents</u>
FDIC Insured	\$	250,000.00
GUDPA Insured		48,133,339.30
Uninsured		<u>2,760,879.44</u>
	\$	<u>51,144,218.74</u>

NOTE 4 - INVESTMENTS

As of June 30, 2019, the District had no investments. However, if the District had investments they would be subject to the following risks.

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 investment 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.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019, consisted of other receivables (tuition, taxes and other), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 3,479,024.06	\$ 4,520,066.72
Tuition and Transportation	463,425.78	463,425.78
Tax Levy	6,824,065.00	6,824,065.00
Other	285,227.74	285,227.74
Gross Receivables	11,051,742.58	12,092,785.24
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 11,051,742.58	\$ 12,092,785.24

NOTE 6 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2019, consisted of the following:

Food	\$ 36,563.85
Supplies	17,339.82
	\$ 53,903.67

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2019 is \$31,058.47.

NOTE 7 – DEFERRED LOSS ON REFUNDING ISSUES

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (9 years) for the 2012 Refunding Bonds. Amortization expense for the year ended June 30, 2019 was \$1,333,023.12. The balance of deferred losses at June 30, 2019 for all issues is \$1,333,715.55.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,817,780.00	\$	\$	\$ 17,817,780.00
Construction in Progress				-
Total capital assets not being depreciated	<u>17,817,780.00</u>	<u>-</u>	<u>-</u>	<u>17,817,780.00</u>
Capital assets being depreciated:				
Buildings and building improvements	172,490,155.00	1,702,069.00		174,192,224.00
Equipment	50,457,660.06	384,892.00	(284,917.00)	50,557,635.06
Total capital assets being depreciated at historical cost	<u>222,947,815.06</u>	<u>2,086,961.00</u>	<u>(284,917.00)</u>	<u>224,749,859.06</u>
Less accumulated depreciation for:				
Buildings and improvements	(70,551,585.00)	(4,616,414.00)		(75,167,999.00)
Equipment	(25,702,758.00)	(561,930.00)	139,338.00	(26,125,350.00)
Subtotal accumulated depreciation	(96,254,343.00)	(5,178,344.00)	139,338.00	(101,293,349.00)
Total capital assets being depreciated, net of accumulated depreciation	<u>126,693,472.06</u>	<u>(3,091,383.00)</u>	<u>(145,579.00)</u>	<u>123,456,510.06</u>
Governmental activity capital assets, net	<u>\$ 144,511,252.06</u>	<u>\$ (3,091,383.00)</u>	<u>\$ (145,579.00)</u>	<u>\$ 141,274,290.06</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 1,527,071.00	\$ 65,529.00	\$ -	\$ 1,592,600.00
Less accumulated depreciation	(947,770.00)	(76,041.00)		(1,023,811.00)
Enterprise Fund capital assets, net	<u>\$ 579,301.00</u>	<u>\$ (10,512.00)</u>	<u>\$ -</u>	<u>\$ 568,789.00</u>

Depreciation is charged to governmental functions as follows:

Regular Instruction	\$ 1,854,006.38
Special Education	1,023,517.51
Other Special Instruction	396,992.59
Student & Instructional Related Services	725,698.51
General Administrative Services	125,039.62
School Administrative Services	242,903.69
Plant Operation & Maintenance	701,451.80
Central Services	108,733.90
	<u>\$ 5,178,344.00</u>

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	Balance June 30, 2018	Issues or Additions	Payments or Expenditures	Balance June 30, 2019	Amounts Due Within One Year
Compensated Absences	\$ 1,788,700.00	\$ 207,635.00	\$ 263,470.00	\$ 1,732,865.00	\$ -
Net Pension Liability	46,139,015.00	9,790,768.00	19,378,533.00	36,551,250.00	-
Bonds Payable	66,511,000.00	39,039,000.00	41,106,000.00	64,444,000.00	4,031,000.00
	<u>\$ 114,438,715.00</u>	<u>\$ 49,037,403.00</u>	<u>\$ 60,748,003.00</u>	<u>\$ 102,728,115.00</u>	<u>\$ 4,031,000.00</u>

Compensated Absences and Net Pension Liability will be liquidated in the General Fund.

Bonds Payable

Bonds are authorized, in accordance with State law, by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Description of Bonds Payable

At June 30, 2019, bonds payable consisted of the following issues:

\$50,321,000 taxable Build America Bonds, bonds dated July 30, 2009 payable in annual installments through August 15, 2019. Interest is payable semiannually at rates varying from 2.50% to 7.13%. These bonds will receive a federal subsidy equal to 35% of the interest due annually. The remaining balance as of June 30, 2019 is \$1,690,000.00

\$30,000,000 School Bonds, bonds dated March 1, 2011 payable in annual installments through April 1, 2034. Interest is payable semiannually at rates varying from 5.00% to 6.0%. The remaining balance as of June 30, 2019 is \$22,300,000.00.

\$5,230,000 Refunding Bonds, bonds dated February 16, 2012 payable in annual installments through July 15, 2020. Interest is payable semiannually at rates varying from 1.310% to 4.093%. The remaining balance as of June 30, 2019 is \$1,415,000.00.

\$39,039,000 Refunding Bonds, bonds dated May 22, 2019 payable in annual installments through August 15, 2034. Interest is payable semiannually at rates varying from 3.400% to 4.150%. The remaining balance as of June 30, 2019 is \$39,039,000.00.

Refunding Bonds

On February 16, 2012, the District issued \$5,230,000 in Refunding School Bonds (Pension Series 2012) to advance refund \$4,995,000 of outstanding 2002 refunding school bonds (Pension Series 2002) with a higher interest rate. The net proceeds of \$5,230,000 and net of payments of \$90,145.00 in underwriting fees and issuance costs were redeem the callable principal and accrued interest maturing on or after July 15, 2013.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old bonds of \$144,855.00. The difference, reported in the accompanying financial statements as a deduction from the bonds payable, is being charged to operations through the fiscal year 2020 using the Bonds Outstanding Method.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Debt service requirements on bonds payable at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	4,031,000.00	2,326,027.90	6,357,027.90
2021	3,770,000.00	2,545,257.50	6,315,257.50
2022	3,172,000.00	2,407,668.50	5,579,668.50
2023	3,262,000.00	2,280,315.50	5,542,315.50
2024	3,396,000.00	2,149,176.50	5,545,176.50
2025-2029	18,962,000.00	8,588,783.25	27,550,783.25
2030-2034	22,885,000.00	4,097,749.00	26,982,749.00
2035	4,966,000.00	167,807.00	5,133,807.00
	<u>\$ 64,444,000.00</u>	<u>\$ 24,562,785.15</u>	<u>\$ 89,006,785.15</u>

Operating Lease

The District has commitments to lease various copier leases. Total costs for such leases during the year ended June 30, 2019 were \$270,834.31. The future minimum lease payments for this lease are as follows:

Fiscal Year Ending June 30,	Copier Payments
2020	208,237.30
2021	196,083.12
2022	<u>98,169.60</u>
Total Minimum lease payments :	<u>502,490.02</u>

NOTE 10 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 the 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

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 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.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has 22 employees enrolled in the Defined contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2019.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

The School District's contributions to TPAF for the years ending June 30, 2019, 2018 and 2017 were \$0, \$0, and \$0 respectively, and paid by the State of New Jersey on behalf of the board. The State of New Jersey did not make the required contributions for the last three years. The School District's contributions to PERS for the years ending June 30, 2019, 2018, and 2017 were \$1,876,325.95, \$1,854,772.00, and \$1,996,909.73, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2019, 2018, and 2017, the State of New Jersey contributed \$16,938,126.00, \$15,199,084.00, and \$14,177,056.00, respectively, to the TPAF for post-retirement medical benefits and NCGI Premium on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$4,681,004.12, \$4,703,617.87, and \$4,366,197.02 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 financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage.
- The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

At June 30, 2019, the District reported a liability of \$36,551,250.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.18563826750%, which was a decrease of 6.34% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$1,523,396.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 697,038.00	\$ 188,470.00
Changes of assumptions	6,023,040.00	11,687,146.00
Net difference between projected and actual earnings on pension plan investments		342,852.00
Changes in proportion and differences between District contributions and proportionate share of contributions	1,547,294.00	5,304,244.00
District contributions subsequent to the measurement date		
Total	\$ 8,267,372.00	\$ 17,522,712.00

\$1,846,501.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 373,447.00
2020	(640,032.00)
2021	(4,105,133.00)
2022	(3,677,920.00)
2023	(1,205,702.00)
Total	\$ (9,255,340.00)

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2019**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.50%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participated employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	\$ 43,943,848	36,551,250	30,353,060.05

Pension plan fiduciary net position.

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

NOTE 12 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		389,345,138.00
Total	\$	389,345,138.00

The net pension liability was measured as of June 30, 2018 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$22,697,460.00 and revenue of \$22,697,460.00 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,691,949.00	588,932.00
Changes of assumptions	67,649,685.00	98,402,931.00
Net difference between projected and actual earnings on pension plan investments		35,459.00
Changes in proportion and differences between District contributions and proportionate share of contributions		267,761.00
District contributions subsequent to the measurement date		
Total	\$ 76,341,634.00	99,295,083.00

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

\$9,251,405.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (7,198,635.00)
2020	(11,431,320.00)
2021	(9,558,184.00)
2022	(5,359,082.00)
2023	(6,075,677.00)
Thereafter	16,669,448.00
Total	<u>\$ (22,953,450.00)</u>

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
Risk Mitigation Services	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts Venture Capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.78% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.86% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.86%) or 1-percentage point higher (5.86%) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

NOTE 13 – OTHER POST-RETIREMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirement. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, and increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate will be based on this index rate that is reported on the last Friday prior to the measurement date.

The discount rates as of June 30, 2016, 2017, and 2018 are 2.58%, 3.58%, and 3.87%, respectively.

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.8% and decreases to 5.0% long term trend rate after 8 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after 8 years. For prescription drug benefits, the initial trend rate is 8% decreasing to a 5.0% long-term trend rate after 7 years.

Salary Scale: The salary scale assumptions in the calculation of Entry Age Normal (Level Percent) liability and normal costs will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on RP-2006 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

Pre-retirement Healthy Mortality: RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2006 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Changes in the Total OPEB liability reported by the State of New Jersey:

Balance at 6/30/17	\$ 53,639,841,858.00
Changes for the year:	
Service cost	1,984,642,729.00
Interest	1,970,236,232.00
Differences between Expected & Actual Experiences	(5,002,065,740.00)
Changes in assumptions or other inputs	(5,291,448,855.00)
Contributions: Member	42,614,005.00
Benefit payments	<u>(1,232,987,247.00)</u>
Net changes	<u>(7,529,008,876.00)</u>
Balance at 6/30/18	<u>\$ 46,110,832,982.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB Liability (School Retirees)	54,512,391,175.00	46,110,832,982.00	39,432,461,816.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	38,113,289,045.00	46,110,832,982.00	56,687,891,003.00

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$11,008,028 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,476,086,167.00)
Changes of assumptions		(10,335,978,867.00)
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
Total	\$ -	(14,812,065,034.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended <u>June 30,</u>	
2019	\$ (1,825,218,593.00)
2020	(1,825,218,593.00)
2021	(1,825,218,593.00)
2022	(1,825,218,593.00)
2023	(1,825,218,593.00)
Thereafter	(5,685,972,069.00)
Total	\$ (14,812,065,034.00)

(Contributions made after June 30, 2018 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 14 – COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. 10 month employees earn 10 days of sick leave a year. 12 month employees earn 12 days of sick leave a year. Sick leave can be accumulated and used as needed in subsequent years. All employees retiring from the District with over 20 years of continuous service shall be eligible for a retirement bonus of up to \$15,000 based on the District's policy.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. 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.

NOTE 15 – DEFERRED COMPENSATION

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

- Equitable
- Lincoln Investment Planning, Inc.
- Putman Investor
- Siracusa Benefits
- Vanguard
- Valic
- Voya 403(b) Plan
- Wachovia Securities

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 16 – 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 for which the district carries commercial insurance, with the exception of workers compensation.

Property and Liability Insurance – The District is self insured for workers compensation. The District has commercial coverage for surety bonds and employee health insurance.

The following is the activity for the years ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>Worker Compensation</u>	<u>Worker Compensation</u>	<u>Worker Compensation</u>
Beginning of Year:			
Unencumbered Reserve	\$ 4,005,688.93	\$ 4,005,688.93	\$ 4,005,688.93
Other	-	-	-
Funded by Budget Appropriation	-	-	-
	<u>4,005,688.93</u>	<u>4,005,688.93</u>	<u>4,005,688.93</u>
Paid	-	-	-
End of Year	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>
Analysis of Balance			
Unencumbered Reserve	\$ 4,005,688.93	\$ 4,005,688.93	\$ 4,005,688.93
Encumbrances/Payables	-	-	-
	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of 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 prior two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2018-2019	\$ -	\$ 190,997.29	\$ (119,896.98)	\$ 2,532,346.83
2017-2018	500,000.00	189,976.43	(144,336.51)	2,461,246.52
2016-2017	1,000,000.00	187,997.21	(353,583.16)	1,915,606.60

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 17 – INTERFUNDS

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. The fund financial interfunds were eliminated in the governmental-wide statements.

The following interfund balances remained on the balance sheet at June 30, 2019:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 2,028,298.31	\$
Special Revenue Fund		(1,987,212.46)
Capital Projects Fund		(41,085.85)
	\$ 2,028,298.31	\$ (2,028,298.31)

The General Fund receivable is comprised of two inter-funds due from the Special Revenue and Capital Projects Funds. The inter-fund receivable was primarily a result of prior year audit adjustments where money needs to be transferred from Fund 20 to Fund 10. The inter-fund between Fund 10 and Fund 30 is interest earned due back to Fund 10.

NOTE 18 – CAPITAL RESERVE ACCOUNT

The Board of Education established a capital reserve account during the 2000 / 2001 year 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. Through Board Resolution, the District transferred \$2,000,000.00 to capital reserve. Therefore, the total balance at June 30, 2019 was \$8,265,794.00.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, 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 account is as follows:

Balance June 30, 2018		\$ 7,213,657.00
Deposit		
Board Resolution dated 7/16/19 :	\$ 1,052,137.00	
		1,052,137.00
Balance June 30, 2019		\$ 8,265,794.00

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 19 – EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the City of Atlantic City School District for the accumulation of funds for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$	1,000,000.00
		<hr style="width: 100%;"/>
Ending balance, June 30, 2019	\$	<u><u>1,000,000.00</u></u>

NOTE 20 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the City of Atlantic City School District for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$	3,000,000.00
Deposits:		
2018-2019 Interest		<u>2,000.00</u>
Ending balance, June 30, 2019	\$	<u><u>3,002,000.00</u></u>

NOTE 21 – TUITION RESERVE ACCOUNT

A Tuition Reserve account was established by the City of Atlantic City School District which allows the District through Board Resolution for up to 10 percent of the estimated tuition cost in the contract year for an anticipated tuition adjustment in the second year following the contract year in accordance with N.J.A.C. 6A:23A-14.4(a)(3). The code also requires that the district transfer to the general fund, by board resolution, any interest earned on the investments in a tuition reserve account on no less than an annual basis.

Beginning balance, July 1, 2018	\$	1,885,000.00
Increase:		
Board Resolution dated 7/16/19 :		<u>58,000.00</u>
Ending balance, June 30, 2019	\$	<u><u>1,943,000.00</u></u>

NOTE 22 – DEFICIT UNRESTRICTED NET POSITION

The School District had a deficit in unrestricted net position of (\$39,456,326.94) as of June 30, 2019. This deficit was attributable to the Net Pension Liability, the liability for compensated absences as well as the June State Aid Payment as noted above.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 23 – FUND BALANCE

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

Specific classifications of fund balance are summarized below;

Restricted Fund Balance

Reserve for Excess Surplus Designated – There was excess fund balance from the previous year in the amount of \$9,876,566.06 at June 30, 2019. This amount has been appropriated as revenue in support of the 2019-20 School Budget.

Capital Projects - \$2,853,707.08 is restricted for expenditures related to the Projects authorized by the 2009 Referendum.

Maintenance Reserve - There is also \$3,002,000 balance in the Maintenance Reserve account at June 30, 2019. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701)

Capital Reserve - There is \$8,265,794.00 balance in the Capital Reserve account at June 30, 2019.

Tuition Reserve - There is \$1,943,000.00 balance in the Tuition Reserve account at June 30, 2019.

Emergency Reserve - There is \$1,000,000.00 balance in the Emergency Reserve account at June 30, 2019.

Committed Fund Balance - The District's Committed Fund balance for other purposes of \$1,181,443.06 consists of encumbrances in the amount of \$906,443.06 and \$275,000.00 reserved to pay future death benefits for employees.

Assigned Fund Balance – At June 30, 2019, the District has assigned \$6,638,831.94 of general fund balances to expenditures in the 2018-19 budget.

Unassigned Fund Balance – At June 30, 2019, the District has \$589,265.06 of unassigned fund balance in the general fund.

NOTE 24 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$8,987,412.11.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 25 – ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded 21% of the Districts 2018-2019 governmental operations. Properties in one industry, the gaming industry, are responsible for almost half of the tax revenue to the District.

NOTE 26 – LITIGATION

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

NOTE 27 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 through December 6, 2019 the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 37,118,294.00	\$ -	\$ 37,118,294.00	\$ 37,118,294.00	\$ -
Casino PILOT	44,770,596.00	-	44,770,596.00	44,770,596.00	-
Tuition - Sending Districts	5,573,339.00	-	5,573,339.00	6,118,424.88	545,085.88
Tuition - Other	-	-	-	88,901.94	88,901.94
Jointure - Transportation	-	-	-	2,614.74	2,614.74
Interest Earned	54,137.00	-	54,137.00	192,514.65	138,377.65
Rentals of Facilities	90,000.00	-	90,000.00	17,190.00	(72,810.00)
Miscellaneous Revenues	29,453.00	-	29,453.00	805,238.53	775,785.53
Total Local Sources	87,635,819.00	-	87,635,819.00	89,113,774.74	1,477,955.74
State Sources:					
Categorical Transportation Aid	1,390,702.00	-	1,390,702.00	1,390,702.00	-
Categorical Special Education Aid	5,119,065.00	501,269.00	5,620,334.00	5,620,334.00	-
Equalization Aid	8,055,052.00	2,998,731.00	11,053,783.00	11,053,783.00	-
Categorical Security Aid	3,248,102.00	-	3,248,102.00	3,248,102.00	-
Adjustment Aid	7,482,500.00	-	7,482,500.00	7,482,500.00	-
School Choice Aid	248,683.00	-	248,683.00	248,683.00	-
Extraordinary Aid	-	-	-	355,823.00	355,823.00
Commercial Valuation Stabilization Aid	32,000,000.00	-	32,000,000.00	20,000,000.00	(12,000,000.00)
Non Public Transportation Aid	-	-	-	12,180.00	12,180.00
TPAF Pension (On-Behalf - Non-Budgeted) :					
Pension Contribution	-	-	-	11,648,755.00	11,648,755.00
Post Retirement Medical	-	-	-	5,283,856.00	5,283,856.00
Long Term Disability	-	-	-	5,515.00	5,515.00
TPAF Social Security (Reimbursed- Non-Budgeted)	-	-	-	4,681,004.12	4,681,004.12
Total State Sources	57,544,104.00	3,500,000.00	61,044,104.00	71,031,237.12	9,987,133.12
Federal Sources:					
Impact Aid	41,750.00	-	41,750.00	36,890.31	(4,859.69)
SEMI	273,018.00	-	273,018.00	316,249.77	43,249.77
Education Jobs Fund	-	-	-	-	-
Total Federal Sources	314,768.00	-	314,768.00	353,158.08	38,390.08
Total Revenues	145,494,691.00	3,500,000.00	148,994,691.00	160,498,169.94	11,503,478.94
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool / Kindergarten - Salaries of Teachers					
Teachers	2,208,530.00	77,100.00	2,285,630.00	2,275,665.99	9,964.01
Grades 1 - 5 Salaries of Teachers	13,447,635.00	(477,880.00)	12,969,755.00	12,000,791.77	968,963.23
Grades 6 - 8 Salaries of Teachers	8,567,982.00	-	8,567,982.00	8,512,700.15	55,281.85
Grades 9 - 12 Salaries of Teachers	10,525,644.00	(266,769.30)	10,258,874.70	10,075,796.45	183,078.25
Regular Programs - Home Instruction					
Salaries of Teachers	279,314.00	190,980.53	470,294.53	470,294.53	-
Purchased Professional - Education Services	50,000.00	-	50,000.00	15,106.56	34,893.44
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	258,715.00	30,000.00	288,715.00	229,863.10	58,851.90
Purchased Professional - Education Services	2,123,455.00	416,693.49	2,540,148.49	2,390,148.23	150,000.26
Purchased Technical Services	593,500.00	(26,000.00)	567,500.00	498,628.33	68,871.67
Other Purchased Services (400-500 series)	920,539.00	(168,270.97)	752,268.03	588,679.28	163,588.75
Travel	-	150.00	150.00	-	150.00
General Supplies	2,104,077.00	(117,927.35)	1,986,149.65	1,689,608.56	296,541.09
Textbooks	337,637.00	72,306.61	409,943.61	298,995.12	110,948.49
Other Objects	-	5,338.00	5,338.00	5,335.98	2.02
TOTAL REGULAR PROGRAMS - INSTRUCTION	41,417,028.00	(264,278.99)	41,152,749.01	39,051,614.05	2,101,134.96
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	625,017.00	3,700.00	628,717.00	617,897.76	10,819.24
Other Salaries for Instruction	142,529.00	-	142,529.00	135,866.68	6,662.32
General Supplies	-	3,686.87	3,686.87	3,644.67	42.20
Total Learning and/or Language Disabilities	767,546.00	7,386.87	774,932.87	757,409.11	17,523.76

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Cognitive Mild					
Salaries of Teachers	97,447.00	(16,000.00)	81,447.00	81,368.21	78.79
Other Salaries for Instruction	77,391.00	-	77,391.00	77,264.38	126.62
General Supplies	3,000.00	-	3,000.00	1,267.85	1,732.15
Total Cognitive Mild	177,838.00	(16,000.00)	161,838.00	159,900.44	1,937.56
Cognitive Moderate					
Salaries of Teachers	227,318.00	(5,000.00)	222,318.00	169,805.00	52,513.00
Other Salaries for Instruction	68,146.00	-	68,146.00	68,146.00	-
Other Purchased Services (400-500 series)	2,700.00	300.00	3,000.00	2,858.08	141.92
General Supplies	3,000.00	482.77	3,482.77	1,591.73	1,891.04
Other Objects	-	535.00	535.00	535.00	-
Total Cognitive Moderate	301,164.00	(3,682.23)	297,481.77	242,935.81	54,545.96
Auditory Impairments					
Salaries of Teachers	588,750.00	(10,748.00)	578,002.00	567,035.00	10,967.00
Other Salaries for Instruction	-	1,748.00	1,748.00	804.45	943.55
General Supplies	-	598.99	598.99	563.00	35.99
Total Auditory Impairments	588,750.00	(8,401.01)	580,348.99	568,402.45	11,946.54
Behavioral Disabilities					
Salaries of Teachers	87,533.00	-	87,533.00	87,533.00	-
Other Salaries for Instruction	23,532.00	(23,532.00)	-	-	-
General Supplies	2,250.00	-	2,250.00	2,098.12	151.88
Total Behavioral Disabilities	113,315.00	(23,532.00)	89,783.00	89,631.12	151.88
Autism					
Salaries of Teachers	241,834.00	(59,900.00)	181,934.00	181,879.25	54.75
Other Salaries for Instruction	228,026.00	(34,000.00)	194,026.00	193,859.23	166.77
General Supplies	3,466.00	(2,795.39)	670.61	617.77	52.84
Other Objects	9,000.00	-	9,000.00	-	9,000.00
Total Autism	482,326.00	(96,695.39)	385,630.61	376,356.25	9,274.36
Multiple Disabilities					
Salaries of Teachers	1,708,483.00	(502,000.00)	1,206,483.00	1,162,994.99	43,488.01
Other Salaries for Instruction	702,249.00	(36,000.00)	666,249.00	624,998.03	41,250.97
General Supplies	23,459.00	(13,731.96)	9,727.04	2,213.91	7,513.13
Total Multiple Disabilities	2,434,191.00	(551,731.96)	1,882,459.04	1,790,206.93	92,252.11
Resource Room/Resource Center					
Salaries of Teachers	6,639,381.00	1,036,500.00	7,675,881.00	7,491,234.39	184,646.61
Other Salaries for Instruction	303,288.00	48,541.77	351,829.77	345,980.59	5,849.18
General Supplies	11,626.00	8,321.68	19,947.68	19,154.89	792.79
Total Resource Room/Resource Center	6,954,295.00	1,093,363.45	8,047,658.45	7,856,369.87	191,288.58
Preschool Disabilities -Full-Time					
Salaries of Teachers	425,173.00	(56,000.00)	369,173.00	369,035.00	138.00
Other Salaries for Instruction	274,643.00	12,600.00	287,243.00	284,503.40	2,739.60
Other Purchased Services (400-500 series)	-	6,000.00	6,000.00	4,168.40	1,831.60
General Supplies	-	2,795.39	2,795.39	2,745.58	49.81
Total Preschool Disabilities - Full-Time	699,816.00	(34,604.61)	665,211.39	660,452.38	4,759.01
TOTAL SPECIAL EDUCATION - INSTRUCTION	12,519,241.00	366,103.12	12,885,344.12	12,501,664.36	383,679.76
Basic Skills / Remedial Instruction					
Salaries of Teachers	2,730,626.00	259,800.00	2,990,426.00	2,946,131.08	44,294.92
Total Basic Skills / Remedial Instruction	2,730,626.00	259,800.00	2,990,426.00	2,946,131.08	44,294.92
Bilingual Education - Instruction					
Salaries of Teachers	3,378,273.00	(177,000.00)	3,201,273.00	3,191,464.67	9,808.33
Other Purchased Services (400-500 series)	5,000.00	(5,000.00)	-	-	-
Supplies and Materials	50,516.00	(1,000.00)	49,516.00	29,400.33	20,115.67
Total Bilingual Education - Instruction	3,433,789.00	(183,000.00)	3,250,789.00	3,220,865.00	29,924.00

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School-Sponsored Co/Extra-Curr. Activities - Instruction					
Salaries	164,441.00	-	164,441.00	125,881.98	38,559.02
General Supplies	2,250.00	-	2,250.00	-	2,250.00
Other Purchased Services (400-500 series)	-	3,350.63	3,350.63	1,350.00	2,000.63
Travel	298.00	-	298.00	-	298.00
Other Objects	166,498.00	(24,300.63)	142,197.37	5,149.00	137,048.37
Total School-Spon. Co-Curricular Activities - Inst.	333,487.00	(20,950.00)	312,537.00	132,380.98	180,156.02
School-Spon. Co-Curricular Athletics - Instruction					
Salaries	323,334.00	-	323,334.00	323,268.23	65.77
Purchased Services	40,000.00	-	40,000.00	40,000.00	-
Other Purchased Services (400-500 series)	131,199.00	181.50	131,380.50	30,290.50	101,090.00
Supplies and Materials	160,750.00	(655.21)	160,094.79	128,336.86	31,757.93
Other Objects	10,000.00	-	10,000.00	80.00	9,920.00
Total School-Spon. Co-Curricular Athletics - Inst.	665,283.00	(473.71)	664,809.29	521,975.59	142,833.70
Summer School Instruction					
Salaries of Teachers	32,051.00	-	32,051.00	-	32,051.00
Total Summer School	32,051.00	-	32,051.00	-	32,051.00
Other Supplemental - At Risk Programs - Instruction					
Salaries of Teacher Tutors	1,622,241.00	(51,000.00)	1,571,241.00	1,532,394.71	38,846.29
Total Other Supplemental - At Risk Programs - Instruction	1,622,241.00	(51,000.00)	1,571,241.00	1,532,394.71	38,846.29
Community Services Program					
Purchased Services (300-500 series)	8,591.00	454.00	9,045.00	8,252.62	792.38
Total Community Services Program	8,591.00	454.00	9,045.00	8,252.62	792.38
TOTAL INSTRUCTION	62,762,337.00	106,654.42	62,868,991.42	59,915,278.39	2,953,713.03
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	1,320,000.00	-	1,320,000.00	1,279,654.82	40,345.18
Tuition to Other LEAs Within the State - Special	409,450.00	-	409,450.00	172,861.54	236,588.46
Tuition to County Voc. School Dist. - Regular	2,534,281.00	(98,693.00)	2,435,588.00	2,037,301.00	398,287.00
Tuition to County Voc. School Dist. - Special	58,800.00	-	58,800.00	58,800.00	-
Tuition to CSSD & Regional Day Schools	2,998,188.00	(103,670.00)	2,894,518.00	2,268,376.24	626,141.76
Tuition to ACSSD Summer Placement	-	103,670.00	103,670.00	97,135.00	6,535.00
Tuition to Private Schools for the Disabled W/I State	1,798,590.00	(1,200.00)	1,797,390.00	1,493,685.74	303,704.26
Tuition to Priv Sch Disabled & Oth LEAS-Spl, O/S	119,620.00	1,200.00	120,820.00	120,816.28	3.72
Tuition - State Facilities	1,455,185.00	-	1,455,185.00	1,455,185.00	-
Tuition - Other	49,476.00	-	49,476.00	15,560.00	33,916.00
Total Undistributed Expenditures - Instruction	10,743,590.00	(98,693.00)	10,644,897.00	8,999,375.62	1,645,521.38
Undistributed Expend. - Attend. & Social Worker					
Salaries	210,895.00	57,656.48	268,551.48	268,546.92	4.56
Other Salaries - Subs	-	10,395.00	10,395.00	10,395.00	-
Supplies & Materials	2,500.00	-	2,500.00	-	2,500.00
Total Undist. Expend. - Attend. & Social Worker	213,395.00	68,051.48	281,446.48	278,941.92	2,504.56
Undistributed Expend. - Health Services					
Salaries	911,290.00	(16,187.65)	895,102.35	895,102.35	-
Other Salaries - Subs	40,000.00	(7,452.35)	32,547.65	17,029.41	15,518.24
Purchased Professional and Technical Services	180,820.00	33,528.00	214,348.00	73,595.93	140,752.07
Other Purchased Services (400-500 series)	1,240.00	-	1,240.00	752.00	487.91
Travel	550.00	-	550.00	-	550.00
Supplies & Materials	38,500.00	1,956.07	40,456.07	19,734.72	20,721.35
Other Objects	-	1,733.45	1,733.45	1,733.45	-
Total Undistributed Expend. - Health Services	1,172,400.00	13,577.52	1,185,977.52	1,007,947.95	178,029.57
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries - Speech Language Specialists	670,179.00	(3,000.00)	667,179.00	660,395.00	6,784.00
Salaries - Other Summer Evaluations	352,000.00	167,000.00	519,000.00	458,671.12	60,328.88
Supplies & Materials	9,350.00	-	9,350.00	7,111.24	2,238.76
Other Objects	1,500.00	-	1,500.00	1,490.00	10.00
Total Undist. Expend. - Other Support Services	1,033,029.00	164,000.00	1,197,029.00	1,127,667.36	69,361.64
Student - Related Services	1,033,029.00	164,000.00	1,197,029.00	1,127,667.36	69,361.64

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Guidance					
Regular					
Salaries of Other Professional Staff	1,881,931.00	82,224.52	1,964,155.52	1,932,659.30	31,496.22
Salaries of Secretarial and Clerical Assistance	97,504.00	-	97,504.00	97,504.00	-
Other Salaries	175,090.00	(21,646.00)	153,444.00	143,561.76	9,882.24
Purchased Professional - Education Services	39,000.00	20,950.00	59,950.00	48,644.00	11,306.00
Other Purchased Prof. and Tech. Services	-	10,000.00	10,000.00	-	10,000.00
Copiers and Rentals	11,761.00	1,252.95	13,013.95	11,599.53	1,414.42
Travel	940.00	(40.00)	900.00	-	900.00
Supplies and Materials	37,915.00	(16,898.00)	21,017.00	9,517.05	11,499.95
Other Objects	-	-	-	-	-
Total Undist. Expend. - Guidance	<u>2,244,141.00</u>	<u>75,843.47</u>	<u>2,319,984.47</u>	<u>2,243,485.64</u>	<u>76,498.83</u>
Undist. Expend. - Child Study Team					
Special					
Salaries of Other Professional Staff	1,354,348.00	33,700.00	1,388,048.00	1,380,514.22	7,533.78
Salaries of Secretarial and Clerical Assistants	364,476.00	600.00	365,076.00	361,174.29	3,901.71
Purchased Professional - Education Services	243,700.00	(18,000.00)	225,700.00	77,357.23	148,342.77
Misc. Purchased Serv (400-500 series)	26,825.00	2,556.00	29,381.00	29,050.33	330.67
Travel	2,700.00	-	2,700.00	1,125.03	1,574.97
Supplies & Materials	27,700.00	4,342.00	32,042.00	19,837.21	12,204.79
Total Undist. Expend. - Child Study Team	<u>2,019,749.00</u>	<u>23,198.00</u>	<u>2,042,947.00</u>	<u>1,869,058.31</u>	<u>173,888.69</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	172,856.00	14,081.53	186,937.53	171,176.86	15,760.67
Salaries of Other Professional Staff	200,000.00	53,016.47	253,016.47	240,577.07	12,439.40
Salaries of Secretarial and Clerical Assistants	37,212.00	1.00	37,213.00	37,210.44	2.56
Other Salaries	783,436.00	(84,630.55)	698,805.45	698,797.30	8.15
Salaries of Facilitators, Math & Literacy Coaches	594,191.00	125,830.55	720,021.55	720,010.35	11.20
Purchased Professional - Education Services	340,130.00	(66,300.00)	273,830.00	250,350.00	23,480.00
Other Purchased Services (400-500 series)	20,658.00	(5,318.00)	15,340.00	13,556.79	1,783.21
Workshops	5,000.00	5,697.61	10,697.61	10,041.89	655.72
Supplies & Materials	47,500.00	(26,900.00)	20,600.00	12,096.40	8,503.60
Other Objects	38,800.00	(2,479.61)	36,320.39	30,204.00	6,116.39
Total Undist. Expend. - Instructional Staff Training	<u>2,239,783.00</u>	<u>12,999.00</u>	<u>2,252,782.00</u>	<u>2,184,021.10</u>	<u>68,760.90</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	730,261.00	(138,630.00)	591,631.00	571,014.00	20,617.00
Salaries of Technology Coordinators	481,530.00	-	481,530.00	411,710.19	69,819.81
Other Purchased Prof. and Tech. Services	-	26,003.00	26,003.00	26,003.00	-
Other Purchased Services (400-500 series)	22,849.00	11,493.46	34,342.46	32,692.90	1,649.56
Travel	-	594.65	594.65	505.22	89.43
Supplies & Materials	63,328.00	(19,470.11)	43,857.89	33,728.96	10,128.93
Other Objects	-	327.00	327.00	327.00	-
Total Undistributed Expenditures - Educational Media Services - School Library	<u>1,297,968.00</u>	<u>(119,682.00)</u>	<u>1,178,286.00</u>	<u>1,075,981.27</u>	<u>102,304.73</u>
Undist. Expend. - Instructional Staff Training Services					
Training	3,000.00	-	3,000.00	2,777.96	222.04
Total Undist. Expend. - Instructional Staff Training	<u>3,000.00</u>	<u>-</u>	<u>3,000.00</u>	<u>2,777.96</u>	<u>222.04</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	689,367.00	(5,273.14)	684,093.86	617,727.83	66,366.03
State Monitor	130,000.00	5,273.14	135,273.14	135,273.14	-
Legal Services	675,000.00	-	675,000.00	510,305.46	164,694.54
Audit Fees	75,000.00	-	75,000.00	64,000.00	11,000.00
Architect Fees	200,000.00	156,000.00	356,000.00	244,257.50	111,742.50
Other Professional Services	10,000.00	-	10,000.00	9,568.00	432.00
Purchased Professional and Technical Services	24,500.00	-	24,500.00	20,750.00	3,750.00
Communications/Telephone	445,900.00	3,724.00	449,624.00	371,647.01	77,976.99
Travel	500.00	-	500.00	78.45	421.55
BOE Other Purchased Services	3,000.00	-	3,000.00	1,600.00	1,400.00
Miscellaneous Purchased Services	518,719.00	(6,000.00)	512,719.00	464,304.35	48,414.65
General Supplies	9,683.00	69.50	9,752.50	8,834.52	917.98
BOE In House Training / Meeting Supplies	19,500.00	-	19,500.00	3,375.00	16,125.00
Judgments Against the District	2,000,000.00	(495,139.49)	1,504,860.51	86,664.00	1,418,196.51
Miscellaneous Expenditures	12,580.00	67,000.00	79,580.00	68,633.65	10,946.35
BOE Membership Dues and Fees	28,000.00	-	28,000.00	26,736.36	1,263.64
Total Undistributed Expenditures - Support Services - General Administration	<u>4,841,749.00</u>	<u>(274,345.99)</u>	<u>4,567,403.01</u>	<u>2,633,755.27</u>	<u>1,933,647.74</u>

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	3,750,816.00	5,000.00	3,755,816.00	3,743,185.72	12,630.28
Salaries of Secretarial and Clerical Assistants	1,325,256.00	(5,000.00)	1,320,256.00	1,206,154.20	114,101.80
Other Purchased Prof. and Tech. Services	7,000.00	(3,000.00)	4,000.00	-	4,000.00
Other Purchased Services (400-500 series)	70,886.00	14,227.94	85,113.94	63,321.58	21,792.36
Travel	1,100.00	-	1,100.00	300.00	800.00
Supplies & Materials	82,050.00	9,505.70	91,555.70	71,833.28	19,722.42
Miscellaneous Expenditures	2,200.00	(1,400.00)	800.00	321.68	478.32
Other Objects	32,550.00	6,292.06	38,842.06	31,252.58	7,589.48
Total Undistributed Expenditures - Support Services - School Administration	5,271,858.00	25,625.70	5,297,483.70	5,116,369.04	181,114.66
Undist. Expend. - Central Services					
Salaries	1,214,991.00	-	1,214,991.00	1,197,656.49	17,334.51
Purchased Prof. and Tech. Services	31,585.00	15,339.00	46,924.00	36,811.32	10,112.68
Purchased Professional Services	357,200.00	72,984.00	430,184.00	315,511.50	114,672.50
Miscellaneous Purchased Services (400-500 series)	60,163.00	(3,580.00)	56,583.00	36,446.30	20,136.70
Travel	10,300.00	-	10,300.00	4,765.40	5,534.60
Supplies and Materials	25,000.00	6,403.95	31,403.95	26,337.02	5,066.93
Bank Charges	91,400.00	(80,735.72)	10,664.28	-	10,664.28
Miscellaneous Expenditures	1,740.00	1,145.00	2,885.00	2,865.00	20.00
Total Undistributed Expenditures - Central Services	1,792,379.00	11,556.23	1,803,935.23	1,620,393.03	183,542.20
Undist. Expend. - Admin. Info. Technology					
Salaries	312,022.00	-	312,022.00	312,021.64	0.36
Purchased Technical Services	449,500.00	(58,322.95)	391,177.05	322,902.38	68,274.67
Other Purchased Services (400-500 series)	20,000.00	-	20,000.00	10,000.00	10,000.00
Travel	2,500.00	-	2,500.00	2,025.00	475.00
Supplies and Materials	45,000.00	(5,000.00)	40,000.00	22,959.75	17,040.25
Other Objects	3,500.00	-	3,500.00	-	3,500.00
Total Undistributed Expenditures - Admin Info. Tech.	832,522.00	(63,322.95)	769,199.05	669,908.77	99,290.28
Undist. Expend. - Required Maint. School Fac.					
Salaries	1,102,778.00	(200,000.00)	902,778.00	870,179.32	32,598.68
Cleaning, Repair and Maintenance Service	1,803,811.00	331,319.37	2,135,130.37	1,794,115.33	341,015.04
General Supplies	201,424.00	7,222.21	208,646.21	184,459.18	24,187.03
Equipment Services	2,000.00	(1,500.00)	500.00	-	500.00
Other Objects	13,630.00	(7,500.00)	6,130.00	20.00	6,110.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	3,123,643.00	129,541.58	3,253,184.58	2,848,773.83	404,410.75
Undist. Expend. - Custodial Services					
Salaries	3,796,833.00	11,220.14	3,808,053.14	3,628,329.60	179,723.54
Salaries of Non-Instructional Aides	200,000.00	(14,200.14)	185,799.86	156,215.00	29,584.86
Purchased Professional and Technical Services	24,621.00	25,475.00	50,096.00	44,261.07	5,834.93
Cleaning, Repairs & Maintenance	307,500.00	(95,709.38)	211,790.62	125,870.48	85,920.14
Rental of Land, Buildings & Other than Leases	660,605.00	(170.16)	660,434.84	659,396.36	1,038.48
Student Events	19,970.00	-	19,970.00	(360.00)	20,330.00
Other Purchased Property Services	442,462.00	101,208.38	543,670.38	541,905.38	1,765.00
Insurance	1,212,141.00	(58,462.84)	1,153,678.16	828,257.81	325,420.35
Miscellaneous Purchased Services	16,963.00	(7,800.00)	9,163.00	8,650.00	513.00
General Supplies	348,700.00	61,837.52	410,537.52	361,631.18	48,906.34
Energy (Energy and Electricity)	2,950,000.00	342,188.08	3,292,188.08	2,709,189.62	582,998.46
Other Objects	-	-	-	-	-
Energy (Oil)	12,220.00	-	12,220.00	1,450.29	10,769.71
Energy (Natural Gas)	680,000.00	-	680,000.00	625,000.00	55,000.00
Dues and Fees	6,960.00	-	6,960.00	6,718.00	242.00
Total Undistributed Expenditures - Custodial Services	10,678,975.00	365,586.60	11,044,561.60	9,696,514.79	1,348,046.81
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	148,005.00	-	148,005.00	124,961.43	23,043.57
Purchased Professional and Technical Services	1,500.00	-	1,500.00	1,200.00	300.00
Cleaning, Repairs & Maintenance	50,000.00	19,575.00	69,575.00	67,799.66	1,775.34
General Supplies	36,255.00	(65.49)	36,189.51	30,538.25	5,651.26
Other Objects	100.00	-	100.00	-	100.00
Total Undist. Expend. - Care & Upkeep of Grounds	235,860.00	19,509.51	255,369.51	224,499.34	30,870.17

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Security					
Salaries	1,795,503.00	(10,746.52)	1,784,756.48	1,701,040.51	83,715.97
Other Salaries	150,315.00	10,746.52	161,061.52	99,886.74	61,174.78
Purchased Professional and Technical Services	30,540.00	8,000.00	38,540.00	37,915.02	624.98
Cleaning, Repairs & Maintenance	224,500.00	40,723.16	265,223.16	128,046.79	137,176.37
Travel	13,923.00	-	13,923.00	2,273.92	11,649.08
General Supplies	55,781.00	3,441.87	59,222.87	35,909.73	23,313.14
Other Objects	2,300.00	-	2,300.00	75.00	2,225.00
Total Undist. Expend. - Security	2,272,862.00	52,165.03	2,325,027.03	2,005,147.71	319,879.32
Total Undistributed Expenditures					
Operations and Maintenance of Plant	16,311,340.00	566,802.72	16,878,142.72	14,774,935.67	2,103,207.05
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	150,967.00	-	150,967.00	149,252.00	1,715.00
Other Purchased Professional and Tech. Services	6,109.00	2,400.00	8,509.00	8,300.00	209.00
Contracted Services - (Bet. Home & School) -Vendors	10,181.00	171,419.15	181,600.15	167,593.90	14,006.25
Contracted Services - (Other than Home & Sch) Vendors	725,514.00	(53,144.00)	672,370.00	512,232.84	160,137.16
Contracted Services - (Bet. Home & School) - Joint Agree	2,686,431.00	-	2,686,431.00	2,479,101.29	207,329.71
Contr. Serv. - (Sp Ed Stds) -Vendors	2,343,863.00	(84,392.15)	2,259,470.85	1,822,668.89	436,801.96
Contr. Serv. - Aid in Lieu Payments - Non Pub. Sch.	45,817.00	-	45,817.00	38,500.00	7,317.00
Contr. Serv. - Aid in Lieu Payments - Charter Schools	164,951.00	(38,027.00)	126,924.00	-	126,924.00
Contr. Serv. - Aid in Lieu Payments - Choice Schools	5,076.00	-	5,076.00	1,000.00	4,076.00
Misc. Purchased Service - Transportation	1,018.00	-	1,018.00	150.00	868.00
General Supplies	4,073.00	-	4,073.00	-	4,073.00
Total Undistributed Expenditures - Student Transportation Services	6,144,000.00	(1,744.00)	6,142,256.00	5,178,798.92	963,457.08
Unallocated Benefits					
Group Insurance	50,000.00	-	50,000.00	41,792.71	8,207.29
Social Security Contribution	2,445,863.00	-	2,445,863.00	1,197,532.79	1,248,330.21
Other Retirement Contributions - PERS	2,400,000.00	-	2,400,000.00	1,876,324.95	523,675.05
Other Retirement Contributions - DCRP	20,000.00	-	20,000.00	10,516.68	9,483.32
Unemployment Compensation	573,979.00	-	573,979.00	-	573,979.00
Workmen's Compensation	5,000,000.00	-	5,000,000.00	2,639,369.19	2,360,630.81
Health Benefits	16,193,399.00	-	16,193,399.00	13,428,582.70	2,764,816.30
Tuition Reimbursement	600,000.00	-	600,000.00	146,433.14	453,566.86
Other Employee Benefits	700,000.00	-	700,000.00	212,945.61	487,054.39
Total Unallocated Benefits	27,983,241.00	-	27,983,241.00	19,553,497.77	8,429,743.23
On-Behalf Contributions					
TPAF Pension (On-Behalf - Non-Budgeted)					
Pension Contribution	-	-	-	11,648,755.00	(11,648,755.00)
Post Retirement Medical	-	-	-	5,283,856.00	(5,283,856.00)
Long Term Disability	-	-	-	5,515.00	(5,515.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	4,681,004.12	(4,681,004.12)
Total On-Behalf Contributions	-	-	-	21,619,130.12	(21,619,130.12)
Total Personal Services - Employee Benefits	27,983,241.00	-	27,983,241.00	41,172,627.89	(13,189,386.89)
TOTAL UNDISTRIBUTED EXPENDITURES	84,144,144.00	403,866.18	84,548,010.18	89,956,045.72	(5,408,035.54)
TOTAL GENERAL CURRENT EXPENSE	146,906,481.00	510,520.60	147,417,001.60	149,871,324.11	(2,454,322.51)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	3,200.00	(3,200.00)	-	-	-
Grades 9-12	-	121,477.96	121,477.96	37,545.04	83,932.92
Athletic Equipment	30,000.00	-	30,000.00	12,848.31	17,151.69
School Sponsored & Other Instructional Support Services	349,608.00	(55,809.53)	293,798.47	275,341.03	18,457.44
Undistributed - Support Services - Related & Extra	57,000.00	2.95	57,002.95	28,390.65	28,612.30
Undistributed - Support Services - Data Center	65,000.00	5,000.00	70,000.00	69,296.50	703.50
Undistributed - Support Services - Custodial Service	45,000.00	48,909.53	93,909.53	93,860.40	49.13
Undistributed - Support Services - Required Maintenance	60,000.00	1,026,719.39	1,086,719.39	1,000,569.80	86,149.59
Undistributed - Support Services - Security	74,000.00	508,188.45	582,188.45	426,859.95	155,328.50
Undistributed - Support Services - Grounds	-	4,600.00	4,600.00	4,578.95	21.05
Total Equipment	683,808.00	1,680,788.75	2,364,596.75	1,974,190.63	390,406.12

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Facilities Acquisition and Construction Services					
Construction Services	3,308,000.00	(841,172.00)	2,466,828.00	1,016,270.51	1,450,557.49
Buildings other than Lease Purchase	5,000,000.00	-	5,000,000.00	-	5,000,000.00
Assessment for Debt Service on SDA Funding	73,597.00	-	73,597.00	73,597.00	-
Total Facilities Acquisition and Construction Services	<u>8,381,597.00</u>	<u>(841,172.00)</u>	<u>7,540,425.00</u>	<u>1,089,867.51</u>	<u>6,450,557.49</u>
TOTAL CAPITAL OUTLAY	<u>9,065,405.00</u>	<u>839,616.75</u>	<u>9,905,021.75</u>	<u>3,064,058.14</u>	<u>6,840,963.61</u>
Transfer of Funds to Charter Schools	<u>6,439,925.00</u>	<u>317,571.00</u>	<u>6,757,496.00</u>	<u>6,029,751.00</u>	<u>727,745.00</u>
TOTAL EXPENDITURES	<u>162,411,811.00</u>	<u>1,667,708.35</u>	<u>164,079,519.35</u>	<u>158,965,133.25</u>	<u>5,114,386.10</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,917,120.00)</u>	<u>1,832,291.65</u>	<u>(15,084,828.35)</u>	<u>1,533,036.69</u>	<u>16,617,865.04</u>
Other Financing Sources:					
Operating Transfers In (Out):					
Maintenance Reserve Interest	(2,000.00)	-	(2,000.00)	-	2,000.00
Capital Projects Fund Interest	-	-	-	41,085.85	41,085.85
Capital Reserve Interest	(52,137.00)	-	(52,137.00)	-	52,137.00
Transfer to Debt Service Fund	-	(61,311.72)	(61,311.72)	(61,311.72)	-
Transfer to Capital Projects	-	(851,172.00)	(851,172.00)	(851,172.00)	-
Total Other Financing Sources:	<u>(54,137.00)</u>	<u>(912,483.72)</u>	<u>(966,620.72)</u>	<u>(871,397.87)</u>	<u>95,222.85</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(16,971,257.00)</u>	<u>919,807.93</u>	<u>(16,051,449.07)</u>	<u>661,638.82</u>	<u>16,713,087.89</u>
Fund Balance July 1	<u>43,348,331.41</u>	<u>-</u>	<u>43,348,331.41</u>	<u>43,348,331.41</u>	<u>-</u>
Fund Balance June 30	<u>\$ 26,377,074.41</u>	<u>\$ 919,807.93</u>	<u>\$ 27,296,882.34</u>	<u>\$ 44,009,970.23</u>	<u>\$ 16,713,087.89</u>
Recapitulation:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 9,876,566.06	
Reserve for Excess Surplus				8,987,412.11	
Maintenance Reserve				3,002,000.00	
Capital Reserve				8,265,794.00	
Emergency Reserve				1,000,000.00	
Tuition Reserve - Year 1				943,000.00	
Tuition Reserve - Year 2				1,000,000.00	
Committed Fund Balance:					
Encumbrances				906,443.06	
Reserved for Future Expenditures - Death Benefits				275,000.00	
Assigned Fund Balance:					
Subsequent Year's Expenditures:					
Deferred State Aid				2,000,000.00	
Other				4,638,831.94	
Unassigned Fund Balance				<u>3,114,923.06</u>	
				<u>44,009,970.23</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(2,525,658.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 41,484,312.23</u>	

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 41,892.66	\$ 41,892.66	\$ 22,000.92	\$ (19,891.74)
State Sources	3,784,387.00	56,018.24	3,840,405.24	3,705,238.97	(135,166.27)
Federal Sources	8,914,619.00	4,967,202.00	13,881,821.00	11,467,218.68	(2,414,602.32)
Total Revenues	12,699,006.00	5,065,112.90	17,764,118.90	15,194,458.57	(2,569,660.33)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,257,290.00	1,640,806.00	3,898,096.00	3,777,734.87	120,361.13
Other Salaries for Instruction	1,160,730.00	(8,461.00)	1,152,269.00	1,128,833.65	23,435.35
Purchased Professional and Technical Services	93,405.00	488,029.00	581,434.00	429,548.31	151,885.69
Tuition	1,458,909.00	507.25	1,459,416.25	1,443,177.00	16,239.25
Other Purchased Services (400-500 series)	26,000.00	43,438.27	69,438.27	63,925.56	5,512.71
General Supplies	174,459.00	3,524,690.66	3,699,149.66	2,194,547.20	1,504,602.46
Textbooks	6,519.00	1,824.00	8,343.00	5,441.03	2,901.97
Other Objects	-	15,674.00	15,674.00	13,851.50	1,822.50
Total Instruction	5,177,312.00	5,706,508.18	10,883,820.18	9,057,059.12	1,826,761.06
Support Services:					
Salaries of Supervisors of Instruction	42,841.00	-	42,841.00	42,841.00	-
Salaries of Principals/Assistant Principals/Program Directors	4,075,891.00	(3,535,866.00)	540,025.00	535,149.60	4,875.40
Salaries of Other Professional Staff	339,032.00	118,782.00	457,814.00	420,439.20	37,374.80
Salaries of Secretarial and Clerical Assistants	84,238.00	84,698.00	168,936.00	168,212.42	723.58
Other Salaries	532,359.00	800,525.00	1,332,884.00	1,327,279.83	5,604.17
Salaries of Family / Parent Liaison	256,026.00	(145,057.00)	110,969.00	47,754.00	63,215.00
Salaries of Master Teachers	116,705.00	-	116,705.00	63,214.70	53,490.30
Personal Services - Employee Benefits	1,898,915.00	474,215.20	2,373,130.20	2,340,848.46	32,281.74
Purchased Professional Educational Services	17,200.00	652,115.00	669,315.00	617,062.40	52,252.60
Cleaning Repairs & Maintenance	26,425.00	60,050.72	86,475.72	69,393.61	17,082.11
Purchased Technical Services	14,065.00	53,429.00	67,494.00	7,177.13	60,316.87
Contracted Services - Trans. - Field Trips	23,500.00	8,391.00	31,891.00	31,223.61	667.39
Travel	-	6,046.00	6,046.00	4,897.21	1,148.79
Staff Training	4,999.00	136,430.00	141,429.00	63,678.78	77,750.22
Other Purchased Services (400-500 series)	81,998.00	327,123.00	409,121.00	212,700.86	196,420.14
Supplies & Materials	7,500.00	165,825.00	173,325.00	66,675.07	106,649.93
Other Objects	-	972.00	972.00	-	972.00
Total Support Services	7,521,694.00	(792,321.08)	6,729,372.92	6,018,547.88	710,825.04

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ -	\$ 150,925.80	\$ 150,925.80	\$ 118,851.57	\$ 32,074.23
Non Instructional Equipment			-	-	-
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>150,925.80</u>	<u>150,925.80</u>	<u>118,851.57</u>	<u>32,074.23</u>
Total Outflows	12,699,006.00	5,065,112.90	17,764,118.90	15,194,458.57	2,569,660.33
Total Expenditures & Other Finan. Sources/(Uses)	<u>12,699,006.00</u>	<u>5,065,112.90</u>	<u>17,764,118.90</u>	<u>15,194,458.57</u>	<u>2,569,660.33</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Notes to the Required Supplementary Information

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2019

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 160,498,169.94	[C-2]	\$ 15,194,458.57
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(522,776.46)
The Final State Aid payments for the Year Ended June 30, 2017 that were delayed until July 2017 were recorded as budgetary revenue for the Year Ended June 30, 2017 but are not recognized under GAAP until the Year Ended June 30, 2018.		2,077,933.00		329,936.00
The Final State Aid payments for the Year Ended June 30, 2018 that were delayed until July 2018 were recorded as budgetary revenue for the Year Ended June 30, 2018 but are not recognized under GAAP until the Year Ended June 30, 2019.		(2,525,658.00)		(329,936.00)
Unexpended Preschool Education Aid		-		(174,943.92)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 160,050,444.94	[B-2]	\$ 14,496,738.19
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 158,965,133.25	[C-2]	\$ 15,194,458.57
Difference - 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 GAAP financial reporting purposes.		-		(522,776.46)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 158,965,133.25	[B-2]	\$ 14,671,682.11

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Required Supplementary Information – Part III

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.1856382675%	0.1982052543%	0.2196805917%	0.2150378748%	0.2013476517%	0.1936405509%
District's proportionate of the net pension liability (asset)	\$ 36,551,250.00	\$ 46,139,015.00	\$ 65,063,090.00	\$ 48,271,694.00	\$ 37,697,787.00	\$ 37,008,557.00
District's covered payroll	\$ 13,342,700.00	\$ 12,816,325.00	\$ 13,455,045.00	\$ 15,128,605.00	\$ 14,605,444.00	\$ 13,347,370.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	273.94%	360.00%	483.56%	319.08%	258.11%	277.27%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,846,501.00	1,836,160.00	1,996,909.73	1,848,749.00	1,659,881.00	1,459,042.00
Contributions in relation to the contractually required contribution	\$ 1,846,501.00	1,836,160.00	1,996,909.73	1,848,749.00	1,659,881.00	1,459,042.00
Contribution deficiency (excess)	\$ -	-	-	-	-	-
District's covered-employee payroll	\$ 13,342,700.00	12,816,325.00	13,455,045.00	15,128,605.00	14,605,444.00	13,347,370.00
Contributions as a percentage of covered-employee payroll	13.84%	14.33%	14.84%	12.22%	11.36%	10.93%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 389,345,138.00</u>	<u>463,134,704.00</u>	<u>538,896,377.00</u>	<u>415,447,236.00</u>	<u>342,788,494.00</u>	<u>305,445,923.00</u>
Total	<u>\$ 389,345,138.00</u>	<u>\$ 463,134,704.00</u>	<u>\$ 538,896,377.00</u>	<u>\$ 415,447,236.00</u>	<u>\$ 342,788,494.00</u>	<u>\$ 305,445,923.00</u>
District's covered payroll	\$ 64,681,664.00	\$ 60,786,811.00	\$ 64,301,130.82	\$ 71,070,263.00	\$ 68,438,348.00	\$ 64,928,089.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.
However, information is only currently available for six years.
Additional years will be presented as they become available.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 235,166,692.00</u>	<u>271,481,780.00</u>	<u>292,180,524.00</u>
Total	<u>\$ 235,166,692.00</u>	<u>271,481,780.00</u>	<u>292,180,524.00</u>
District's covered payroll	78,024,364.00	73,603,136.00	77,756,175.82
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:			
Service Cost	9,975,604.00	11,975,874.00	
Interest Cost	9,968,460.00	8,582,758.00	
Differences between Expected & Actual	(23,201,656.00)	-	
Changes in Assumptopns	(26,986,555.00)	(35,200,825.00)	
Member Contributions	217,333.00	231,543.00	
Benefit Payments	(6,288,274.00)	(6,288,094.00)	
Change in Total Opeb Liability	<u>(36,315,088.00)</u>	<u>(20,698,744.00)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>271,481,780.00</u>	<u>292,180,524.00</u>	
Ending Balance	<u>\$ 235,166,692.00</u>	<u>\$ 271,481,780.00</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	301.40%	368.85%	

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

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.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Title I/Part A	IDEA	IDEA Preschool	Title IIA	Title III	Title IV	Perkins Grant
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 5,653,928.26	\$ 1,786,780.00	\$ 10,733.00	\$ 405,796.00	\$ 225,045.00	\$ 24,897.00	\$ 96,595.69
Total Revenues	<u>5,653,928.26</u>	<u>1,786,780.00</u>	<u>10,733.00</u>	<u>405,796.00</u>	<u>225,045.00</u>	<u>24,897.00</u>	<u>96,595.69</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	1,456,769.95	33,175.50	2,568.72		82,579.45		
Other Salaries for Instruction		27,160.67	2,079.00				
Purchased Professional & Technical Services	149,854.23	210,843.00	1,595.00		4,691.25		2,816.00
Other Purchased Services (400-500 Series)	42,009.06						
Tuition		1,443,177.00					
General Supplies	1,754,178.19	3,521.52			18,292.62	29.42	
Textbooks	1,400.73						
Other Objects	13,061.50		545.00		245.00		
Total Instruction	<u>3,417,273.66</u>	<u>1,717,877.69</u>	<u>6,787.72</u>	<u>-</u>	<u>105,808.32</u>	<u>29.42</u>	<u>2,816.00</u>
Support Services:							
Salaries of Supervisors of Instruction							
Salaries of Principals/Assistant Principals/Program Directors	233,023.43			6,307.92	12,714.25		
Salaries of Other Professional Staff	101,581.71			8,873.52	2,058.39		
Salaries of Secretarial and Clerical Assistants	83,974.42						
Other Salaries	1,022,976.80			184,397.57	-		
Salaries of Family / Parent Liaison							
Salaries of Master Teachers							
Personal Services - Employee Benefits	371,984.89	13,543.09	531.10	19,444.24	63,214.70		
Purchased Professional Educational Services	287,398.00	55,071.72	2,294.69	127,052.00	33,805.97		
Cleaning Repairs & Maintenance							
Purchased Technical Services		287.50				4,367.63	
Rentals							
Contracted Services - Trans. - Field Trips					398.80		
Travel					4,897.21		
Staff Training	2,044.00						
Other Purchased Services (400-500 series)	90,899.05		1,119.49	51,766.85	2,147.36		
Supplies & Materials	38,200.37			7,953.90			
Other Objects							
Total Support Services	<u>2,232,082.67</u>	<u>68,902.31</u>	<u>3,945.28</u>	<u>405,796.00</u>	<u>119,236.68</u>	<u>4,367.63</u>	<u>-</u>
Facilities Acquisitions and Construction Services:							
Instructional Equipment	4,571.93					20,499.95	93,779.69
Non Instructional Equipment							
Total Facilities Acquisitions and Const. Services:	<u>4,571.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,499.95</u>	<u>93,779.69</u>
Total Expenditures	<u>5,653,928.26</u>	<u>1,786,780.00</u>	<u>10,733.00</u>	<u>405,796.00</u>	<u>225,045.00</u>	<u>24,897.00</u>	<u>96,595.69</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Preschool Expansion Aid	Non- Public Compensatory Education	Non- Public Textbooks	Non- Public ESL	Non- Public Speech	Non- Public Nursing
REVENUES:						
Local Sources						
State Sources	\$ 3,241,471.53	\$ 40,459.50	\$ 4,040.30	\$ 12,514.50	\$ 6,250.00	\$ 10,368.62
Federal Sources						
Total Revenues	<u>3,241,471.53</u>	<u>40,459.50</u>	<u>4,040.30</u>	<u>12,514.50</u>	<u>6,250.00</u>	<u>10,368.62</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	810,868.95	40,459.50		12,514.50		
Other Salaries for Instruction	420,031.65					
Purchased Professional & Technical Services	48,034.69					
Other Purchased Services (400-500 Series)	6,987.65					
Tuition						
General Supplies	208,423.73		4,040.30			
Textbooks						
Other Objects						
Total Instruction	<u>1,494,346.67</u>	<u>40,459.50</u>	<u>4,040.30</u>	<u>12,514.50</u>	<u>-</u>	<u>-</u>
Support Services:						
Salaries of Supervisors of Instruction	283,104.00					
Salaries of Principals/Assistant Principals/Program Directors	132,474.80				6,250.00	7,846.62
Salaries of Other Professional Staff	22,803.00					
Salaries of Secretarial and Clerical Assistants						
Other Salaries	47,754.00					
Salaries of Family / Parent Liaison						
Salaries of Master Teachers	-					
Personal Services - Employee Benefits	1,024,293.21					
Purchased Professional Educational Services	140,823.55					
Cleaning Repairs & Maintenance	44,428.04					
Purchased Technical Services						2,522.00
Rentals						
Contracted Services - Trans. - Field Trips	13,874.53					
Travel						
Staff Training						
Other Purchased Services (400-500 series)	26,490.20					
Supplies & Materials	11,079.53					
Other Objects						
Total Support Services	<u>1,747,124.86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,250.00</u>	<u>10,368.62</u>
Facilities Acquisitions and Construction Services:						
Instructional Equipment						
Non Instructional Equipment						
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,241,471.53</u>	<u>40,459.50</u>	<u>4,040.30</u>	<u>12,514.50</u>	<u>6,250.00</u>	<u>10,368.62</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Non-Public Technical Aid	Non-Public Security Aid	YMCA Healthy U	Tanger Grant	Toshiba Grant	AtlantiCare Grant	Ocean First Grant
REVENUES:							
Local Sources			200.00	825.28	986.94	2,761.24	12,683.89
State Sources	4,528.62	14,011.99					
Federal Sources							
	<u>4,528.62</u>	<u>14,011.99</u>	<u>200.00</u>	<u>825.28</u>	<u>986.94</u>	<u>2,761.24</u>	<u>12,683.89</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional & Technical Services			200.00				
Other Purchased Services (400-500 Series)							
Tuition							
General Supplies	4,528.62			576.88	986.94	1,961.24	12,683.89
Textbooks							
Other Objects							
	<u>4,528.62</u>	<u>-</u>	<u>200.00</u>	<u>576.88</u>	<u>986.94</u>	<u>1,961.24</u>	<u>12,683.89</u>
Support Services:							
Salaries of Supervisors of Instruction							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretarial and Clerical Assistants							
Other Salaries							
Salaries of Family / Parent Liaison							
Salaries of Master Teachers							
Personal Services - Employee Benefits							
Purchased Professional Educational Services		14,011.99				800.00	
Cleaning Repairs & Maintenance							
Purchased Technical Services							
Rentals							
Contracted Services - Trans. - Field Trips							
Travel							
Staff Training							
Other Purchased Services (400-500 series)				248.40			
Supplies & Materials							
Other Objects							
	<u>-</u>	<u>14,011.99</u>	<u>-</u>	<u>248.40</u>	<u>-</u>	<u>800.00</u>	<u>-</u>
Facilities Acquisitions and Construction Services:							
Instructional Equipment							
Non Instructional Equipment							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,528.62</u>	<u>14,011.99</u>	<u>200.00</u>	<u>825.28</u>	<u>986.94</u>	<u>2,761.24</u>	<u>12,683.89</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Accompanying Auditor's Report

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019**

	Health Expo Grant	ROTC Grant	Grow NJ Kids Grant	Preschool Education Aid	Temporary Emergency Impact Aid	Totals
REVENUES:						
Local Sources	\$ 1,372.25		\$ 3,171.32			\$ 22,000.92
State Sources				3,613,065.44	21,972.20	3,705,238.97
Federal Sources						11,467,218.68
Total Revenues	<u>1,372.25</u>	<u>-</u>	<u>3,171.32</u>	<u>3,613,065.44</u>	<u>21,972.20</u>	<u>15,194,458.57</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers				1,338,798.30		3,777,734.87
Other Salaries for Instruction				679,562.33		1,128,833.65
Purchased Professional & Technical Services				16,405.39		429,548.31
Other Purchased Services (400-500 Series)				10,037.60		63,925.56
Tuition				-		1,443,177.00
General Supplies			1,901.47	172,932.68	14,530.00	2,194,547.20
Textbooks				-		5,441.03
Other Objects				-		13,851.50
Total Instruction	<u>-</u>	<u>-</u>	<u>1,901.47</u>	<u>2,217,736.30</u>	<u>14,530.00</u>	<u>9,057,059.12</u>
Support Services:						
Salaries of Supervisors of Instruction				42,841.00		42,841.00
Salaries of Principals/Assistant Principals/Program Directors						535,149.60
Salaries of Other Professional Staff				161,354.16		420,439.20
Salaries of Secretarial and Clerical Assistants				61,435.00		168,212.42
Other Salaries				119,905.46		1,327,279.83
Salaries of Family / Parent Liaison						47,754.00
Salaries of Master Teachers						63,214.70
Personal Services - Employee Benefits				869,803.76	7,442.20	2,340,848.46
Purchased Professional Educational Services				3,622.44		617,062.40
Cleaning Repairs & Maintenance				10,953.58		69,393.61
Purchased Technical Services						7,177.13
Rentals						-
Contracted Services - Trans. - Field Trips				16,950.28		31,223.61
Travel						4,897.21
Staff Training				61,634.78		63,678.78
Other Purchased Services (400-500 series)	1,372.25		1,269.85	37,387.41		212,700.86
Supplies & Materials				9,441.27		66,675.07
Other Objects						-
Total Support Services	<u>1,372.25</u>	<u>-</u>	<u>1,269.85</u>	<u>1,395,329.14</u>	<u>7,442.20</u>	<u>6,018,547.88</u>
Facilities Acquisitions and Construction Services:						
Instructional Equipment				\$ -		118,851.57
Non Instructional Equipment						-
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,851.57</u>
Total Expenditures	<u>1,372.25</u>	<u>-</u>	<u>3,171.32</u>	<u>3,613,065.44</u>	<u>21,972.20</u>	<u>15,194,458.57</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2019

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 1,355,723.00	\$ 1,338,798.30	\$ 16,924.70
Other Salaries for Instruction	696,930.00	679,562.33	17,367.67
Purchased Professional & Technical Services	28,315.00	16,405.39	11,909.61
Other Purchased Services (400-500 Series)	11,331.00	10,037.60	1,293.40
General Supplies	175,640.00	172,932.68	2,707.32
Other Objects	-	-	-
Total Instruction	<u>2,267,939.00</u>	<u>2,217,736.30</u>	<u>50,202.70</u>
Support Services:			
Salaries of Supervisors of Instruction	42,841.00	42,841.00	-
Salaries of Other Professional Staff	161,357.00	161,354.16	2.84
Salaries of Secretarial and Clerical Assistants	61,435.00	61,435.00	-
Other Salaries	125,509.00	119,905.46	5,603.54
Personal Services - Employee Benefits	886,267.00	869,803.76	16,463.24
Other Purchased Professional - Ed. Services	3,650.00	3,622.44	27.56
Cleaning Repairs & Maintenance	21,000.00	10,953.58	10,046.42
Contracted Services - Trans. - Field Trips	18,000.00	16,950.28	1,049.72
Other Purchased Services (400-500 Series)	49,552.00	37,387.41	12,164.59
Staff Training	63,784.00	61,634.78	2,149.22
Travel	-	-	-
Supplies and Materials	14,015.00	9,441.27	4,573.73
Other Objects	-	-	-
Total Support Services	<u>1,447,410.00</u>	<u>1,395,329.14</u>	<u>52,080.86</u>
Total Expenditures	<u>\$ 3,715,349.00</u>	<u>\$ 3,613,065.44</u>	<u>\$ 102,283.56</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2018-19 Preschool Aid Allocation	\$ 3,299,360.00
Adjustments	
Add: Actual Preschool Carryover June 30, 2018	468,697.52
Add: Budgeted Transfer from the General Fund	
Total Preschool Education Aid Funds Available for 2018-19 Budget	<u>3,768,057.52</u>
Less: 2018-2019 Budgeted Preschool Education Aid	<u>(3,715,349.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018	<u>52,708.52</u>
Add: June 30, 2019 Unexpended Preschool Education Aid	102,283.56
2018-19 Actual Carryover - Preschool Education Aid	<u>\$ 154,992.08</u>
2018-19 Preschool Education Aid Carryover Budgeted for 2019-20	<u>\$ 175,521.04</u>

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CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Summary
For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Transfer from Capital Reserve		851,172.00	851,172.00	851,172.00
Bond Proceeds and Transfers	80,321,000.00	-	80,321,000.00	80,321,000.00
Total Revenues	<u>80,321,000.00</u>	<u>851,172.00</u>	<u>81,172,172.00</u>	<u>81,172,172.00</u>
Expenditures and Other Financing Uses				
Project Expenditures	74,131,584.06	3,450.00	74,135,034.06	76,988,741.14
Total Expenditures	<u>74,131,584.06</u>	<u>3,450.00</u>	<u>74,135,034.06</u>	<u>76,988,741.14</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,189,415.94</u>	<u>847,722.00</u>	<u>7,037,137.94</u>	<u>4,183,430.86</u>
Other Financing Sources (Uses)				
Transfer out	(4,183,430.86)	-	(4,183,430.86)	(4,183,430.86)
Total Other Financing Sources and Uses	<u>(4,183,430.86)</u>	<u>-</u>	<u>(4,183,430.86)</u>	<u>(4,183,430.86)</u>
Net Project	<u>\$ 2,005,985.08</u>	<u>\$ 847,722.00</u>	<u>\$ 2,853,707.08</u>	<u>\$ -</u>

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Pennsylvania Avenue Elementary School
For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	41,755,143.00	-	41,755,143.00	41,755,143.00
Total Revenues	<u>41,755,143.00</u>	<u>-</u>	<u>41,755,143.00</u>	<u>41,755,143.00</u>
Expenditures and Other Financing Uses				
Project Expenditures	37,548,541.43	1,725.00	37,550,266.43	39,060,579.15
Total Expenditures	<u>37,548,541.43</u>	<u>1,725.00</u>	<u>37,550,266.43</u>	<u>39,060,579.15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,206,601.57</u>	<u>(1,725.00)</u>	<u>4,204,876.57</u>	<u>2,694,563.85</u>
Other Financing Sources (Uses)				
Transfer out	(2,694,563.85)	-	(2,694,563.85)	(2,694,563.85)
Total Other Financing Sources and Uses	<u>(2,694,563.85)</u>	<u>-</u>	<u>(2,694,563.85)</u>	<u>(2,694,563.85)</u>
Net Project	\$ <u>1,512,037.72</u>	\$ <u>(1,725.00)</u>	\$ <u>1,510,312.72</u>	\$ <u>-</u>

Additional Project Information:

Project Number	0100-N01-09-1000
Grant Date	N/A
Bond Authorization Date	4/21/2009
Bonds Authorized	\$ 41,755,143.00
Bonds Issued	41,755,143.00
Original Authorized Costs	41,755,143.00
Revised Authorized Cost	39,060,579.15
Percentage Increase over Original Authorized Cost	-6.45%
Percentage Completion	100%
Original Target Completion Date	2011
Revised Target Completion Date	2013

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
New Richmond Avenue Elementary School
For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 38,565,857.00	\$ -	\$ 38,565,857.00	\$ 38,565,857.00
Total Revenues	<u>38,565,857.00</u>	<u>-</u>	<u>38,565,857.00</u>	<u>38,565,857.00</u>
Expenditures and Other Financing Uses				
Project Expenditures	36,583,042.63	1,725.00	36,584,767.63	37,076,989.99
Total Expenditures	<u>36,583,042.63</u>	<u>1,725.00</u>	<u>36,584,767.63</u>	<u>37,076,989.99</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,982,814.37</u>	<u>(1,725.00)</u>	<u>1,981,089.37</u>	<u>1,488,867.01</u>
Other Financing Sources (Uses)				
Transfer out	(1,488,867.01)	-	(1,488,867.01)	(1,488,867.01)
Total Other Financing Sources and Uses	<u>(1,488,867.01)</u>	<u>-</u>	<u>(1,488,867.01)</u>	<u>(1,488,867.01)</u>
Net Project	<u>\$ 493,947.36</u>	<u>\$ (1,725.00)</u>	<u>\$ 492,222.36</u>	<u>\$ (0.00)</u>

Additional Project Information:

Project Number	0110-N02-09-1000
Grant Date	N/A
Bond Authorization Date	4/21/2009
Bonds Authorized	\$ 38,565,857.00
Bonds Issued	38,565,857.00
Original Authorized Costs	38,565,857.00
Revised Authorized Cost	37,076,989.99
Percentage Increase over Original Authorized Cost	-3.86%
Percentage Completion	100%
Original Target Completion Date	2011
Revised Target Completion Date	2014

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
2019 Project
For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$	\$ 851,172.00	\$ 851,172.00	\$ 851,172.00
Total Revenues	-	851,172.00	851,172.00	851,172.00
Expenditures and Other Financing Uses				
Project Expenditures			-	851,172.00
Total Expenditures	-	-	-	851,172.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	851,172.00	851,172.00	-
Net Project	\$ -	\$ 851,172.00	\$ 851,172.00	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Costs	851,172.00
Revised Authorized Cost	851,172.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0%
Original Target Completion Date	2019
Revised Target Completion Date	2019

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary 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.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

Reading Recovery Fund - This fund provides for the operation of the Reading Recovery program.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS
B-4, B-5 AND B-6.**

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Scholarship Fund - This Trust Fund is an expendable trust fund that accounts for donation revenue dedicated to providing college scholarships to graduating district students.

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.

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.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
For the Year Ended June 30, 2019**

	Unemployment Compensation Trust	Permanent/ Scholarship Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 2,574,925.07	\$ 37,450.14	\$ 438,261.24	\$ 3,050,636.45
Investments, at Fair Value	-	-	-	-
Due from Unemployment	-	-	-	-
Due from Valic	-	-	-	-
Total Assets	2,574,925.07	37,450.14	438,261.24	3,050,636.45
LIABILITIES				
Due to Fund 10	-	-	-	-
Payable to Student Groups	-	-	179,505.37	179,505.37
Accounts Payable	42,578.24	-	-	42,578.24
Payroll Deductions & Withholdings	-	-	258,755.87	258,755.87
Total Liabilities	42,578.24	-	438,261.24	480,839.48
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	\$ 2,532,346.83			2,532,346.83
Reserve for Scholarships		\$ 37,450.14		37,450.14
Total Net Assets				2,569,796.97
Total Liabilities and Net Assets			\$ 3,050,636.45	

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2019

	Unemployment Compensation Trust	Scholarship Trust	Non-Spendable Endowment Trust	Totals
ADDITIONS				
Contributions:				
Donations	\$ -	\$ 9,000.00	\$ -	\$ 9,000.00
Employee Withholdings	190,997.29	-	-	190,997.29
Board Contributions	-	-	-	-
Total Contributions	<u>190,997.29</u>	<u>9,000.00</u>	<u>-</u>	<u>199,997.29</u>
Investments Earnings:				
Dividends and Interest	-	-	466.50	466.50
Net Increase (Decrease) in the Fair Market Value of Investments	-	-	-	-
Net Investment Earnings	<u>-</u>	<u>-</u>	<u>466.50</u>	<u>466.50</u>
Total Additions	<u>190,997.29</u>	<u>9,000.00</u>	<u>466.50</u>	<u>200,463.79</u>
Deductions				
Scholarships Awarded	-	13,265.00	-	13,265.00
Unemployment Payments	119,896.98	-	-	119,896.98
Total Deductions	<u>119,896.98</u>	<u>13,265.00</u>	<u>-</u>	<u>133,161.98</u>
Change in Net Assets	71,100.31	(4,265.00)	466.50	67,301.81
Net Assets - Beginning of the Year	<u>2,461,246.52</u>	<u>26,942.85</u>	<u>14,305.79</u>	<u>2,502,495.16</u>
Net Assets - End of the Year	<u>\$ 2,532,346.83</u>	<u>\$ 22,677.85</u>	<u>\$ 14,772.29</u>	<u>\$ 2,569,796.97</u>

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Schools	\$ 229,162.49	\$ 245,145.13	297,682.77	\$ 176,624.85
Athletic	19,290.70	52,487.57	68,897.75	2,880.52
Total Assets	<u>\$ 248,453.19</u>	<u>\$ 297,632.70</u>	<u>\$ 366,580.52</u>	<u>\$ 179,505.37</u>

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,048,078.31	\$ 93,969,058.65	94,758,381.09	\$ 258,755.87
Total Assets	<u>\$ 1,048,078.31</u>	<u>\$ 93,969,058.65</u>	<u>\$ 94,758,381.09</u>	<u>\$ 258,755.87</u>
LIABILITIES:				
Payroll Deductions & Withholding	\$ 1,048,078.31	\$ 93,969,058.65	\$ 94,758,381.09	\$ 258,755.87
Total Liabilities	<u>\$ 1,048,078.31</u>	<u>\$ 93,969,058.65</u>	<u>\$ 94,758,381.09</u>	<u>\$ 258,755.87</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 Schedule of General Serial Bonds
 For the Year Ended June 30, 2019

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2019				Balance 06/30/18	Increased	Deceased	Decreased	Balance 06/30/19
			Date	Amount	Interest Rate	Balance 06/30/18					
Build America School Bonds	7/30/2009	\$ 50,321,000	8/15/2019	1,690,000	5.500%	\$ 41,076,000.00	\$	37,781,000.00	\$ 1,605,000.00	\$ 1,690,000.00	
School Bonds	3/01/2011	30,000,000	4/1/2020	1,075,000	5.000%	23,350,000.00	-	-	1,050,000.00	22,300,000.00	
			4/1/2021	1,110,000	5.000%						
			4/1/2022	1,150,000	5.000%						
			4/1/2023	1,175,000	5.000%						
			4/1/2024	1,225,000	5.000%						
			4/1/2025	1,250,000	5.000%						
			4/1/2026	1,300,000	5.000%						
			4/1/2027	1,350,000	5.000%						
			4/1/2028	1,415,000	5.000%						
			4/1/2029	1,475,000	5.000%						
			4/1/2030	1,550,000	5.000%						
			4/1/2031	1,625,000	5.000%						
			4/1/2032	1,650,000	5.125%						
			4/1/2033	1,650,000	5.250%						
			4/1/2034	1,650,000	6.000%						
			4/1/2035	1,650,000	6.000%						

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 Schedule of General Serial Bonds
 For the Year Ended June 30, 2019

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2019				Interest Rate	Balance 06/30/18	Increased	Defeased	Decreased	Balance 06/30/19
			Date	Amount	Rate	Balance 06/30/18						
Refunding (Pension) School Bonds	1/19/2012	\$ 5,230,000	7/15/2019	695,000	3.620%	\$	2,085,000.00	\$		670,000.00	\$ 1,415,000.00	
			7/15/2020	720,000	3.820%							
Refunding School Bonds 2019	5/22/2019	39,039,000	8/15/2019	571,000	3.400%		-	39,039,000.00	-		39,039,000.00	
			8/15/2020	1,940,000	3.400%							
			8/15/2021	2,022,000	3.400%							
			8/15/2022	2,087,000	3.400%							
			8/15/2023	2,171,000	3.400%							
			8/15/2024	2,268,000	3.400%							
			8/15/2025	2,348,000	3.400%							
			8/15/2026	2,435,000	3.400%							
			8/15/2027	2,510,000	3.400%							
			8/15/2028	2,611,000	4.150%							
			8/15/2029	2,726,000	4.150%							
			8/15/2030	2,831,000	4.150%							
			8/15/2031	2,949,000	4.150%							
		8/15/2032	3,065,000	4.150%								
		8/15/2033	3,189,000	4.150%								
		8/15/2034	3,316,000	4.150%								
						\$	66,511,000.00	\$ 39,039,000.00	\$ 37,781,000.00	\$ 3,325,000.00	\$ 64,444,000.00	

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,896,593.00	\$ -	\$ 5,896,593.00	\$ 5,896,593.00	\$ -
State Sources:					
Debt Service Aid Type II	499,210.00	-	499,210.00	499,210.00	-
	<u>499,210.00</u>	<u>-</u>	<u>499,210.00</u>	<u>499,210.00</u>	<u>-</u>
Total - State Sources	499,210.00	-	499,210.00	499,210.00	-
Total Revenues	<u>6,395,803.00</u>	<u>-</u>	<u>6,395,803.00</u>	<u>6,395,803.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	6,395,803.00	(3,263,688.28)	3,132,114.72	3,132,114.72	-
Redemption of Principal		3,325,000.00	3,325,000.00	3,325,000.00	-
	<u>6,395,803.00</u>	<u>61,311.72</u>	<u>6,457,114.72</u>	<u>6,457,114.72</u>	<u>-</u>
Total Regular Debt Service	6,395,803.00	61,311.72	6,457,114.72	6,457,114.72	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(61,311.72)</u>	<u>(61,311.72)</u>	<u>(61,311.72)</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
General Fund	-	61,311.72	61,311.72	61,311.72	-
	<u>-</u>	<u>61,311.72</u>	<u>61,311.72</u>	<u>61,311.72</u>	<u>-</u>
Total Other Financing Sources (Uses):	-	61,311.72	61,311.72	61,311.72	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ (0.00)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Statistical Section

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014*	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 23,568,178.86	\$ 27,245,977.77	\$ 45,018,680.00	\$ 54,882,838.00	\$ 65,592,186.41	\$ 74,354,599.09	\$ 78,737,852.21	\$ 78,788,732.18	\$ 78,039,443.23	\$ 78,164,005.61
Restricted	17,143,671.22	31,016,444.25	33,329,117.00	32,690,749.24	22,519,928.32	9,354,507.62	4,781,702.60	25,200,576.44	35,539,161.48	35,753,535.33
Unrestricted	12,111,576.00	3,861,142.33	3,404,940.33	7,077,979.76	(23,933,304.97)	(17,029,969.62)	(30,605,365.92)	(42,864,035.64)	(41,167,558.29)	(39,556,326.94)
Total governmental activities net position	\$ 52,823,426.08	\$ 62,123,564.35	\$ 81,752,737.33	\$ 94,451,567.00	\$ 64,178,809.76	\$ 66,679,137.09	\$ 52,914,188.89	\$ 61,125,272.98	\$ 72,411,046.42	\$ 74,461,214.00
Business-type activities										
Invested in capital assets, net of related debt	\$ 280,627.00	\$ 249,570.00	\$ 215,161.00	\$ 181,382.00	\$ 196,608.00	\$ 162,660.00	\$ 84,734.00	\$ 613,074.00	\$ 579,301.00	\$ 568,789.00
Restricted	(88,314.95)	77,489.00	(212,670.00)	(308,679.98)	148,049.25	132,256.29	566,396.28	901,697.59	1,351,094.68	1,746,647.24
Unrestricted	192,312.05	\$ 327,059.00	\$ 2,491.00	\$ (127,297.98)	\$ 344,657.25	\$ 294,916.29	\$ 651,130.28	\$ 1,514,771.59	\$ 1,930,395.68	\$ 2,315,436.24
Total business-type activities net position	\$ 192,312.05	\$ 327,059.00	\$ 2,491.00	\$ (127,297.98)	\$ 344,657.25	\$ 294,916.29	\$ 651,130.28	\$ 1,514,771.59	\$ 1,930,395.68	\$ 2,315,436.24
District-wide										
Invested in capital assets, net of related debt	\$ 23,848,805.86	\$ 27,495,547.77	\$ 45,233,841.00	\$ 54,864,220.00	\$ 65,788,794.41	\$ 74,517,259.09	\$ 78,822,586.21	\$ 79,401,806.18	\$ 78,618,744.23	\$ 78,732,794.61
Restricted	17,143,671.22	31,016,444.25	33,329,117.00	32,690,749.24	22,519,928.32	9,354,507.62	4,781,702.60	25,200,576.44	35,539,161.48	35,753,535.33
Unrestricted	12,023,261.05	3,938,651.33	3,192,270.33	6,769,299.78	(23,785,255.72)	(16,897,713.33)	(30,038,969.64)	(41,962,338.05)	(39,816,463.61)	(37,709,679.70)
Total district net position	\$ 53,015,738.13	\$ 62,460,623.35	\$ 81,755,228.33	\$ 94,324,269.02	\$ 64,523,467.01	\$ 66,974,053.38	\$ 53,965,319.17	\$ 62,640,044.57	\$ 74,341,442.10	\$ 76,776,650.24

* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR Schedule A-1

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Instruction:										
Regular	\$ 44,464,107.00	\$ 46,192,468.63	\$ 49,440,165.00	\$ 55,038,659.26	\$ 55,038,659.26	\$ 63,248,911.74	\$ 65,190,162.63	\$ 73,330,922.85	\$ 72,984,593.05	\$ 65,944,780.41
Special education	21,293,625.00	23,688,652.11	21,618,768.00	20,847,052.00	24,032,922.96	30,402,522.35	36,228,692.15	37,678,214.71	37,534,892.67	36,405,288.75
Other special education	16,736,204.00	16,195,702.57	17,565,255.00	14,818,870.00	19,778,957.31	21,989,117.59	15,165,941.41	14,239,765.58	15,149,426.68	14,120,549.59
Support Services:										
Tuition	14,505,847.00	13,943,626.85	15,091,977.00	13,242,855.84	11,225,827.85	12,265,017.11	12,674,162.07	13,209,303.77	15,780,498.66	15,029,126.62
Student & instruction related services	22,193,579.00	20,802,735.27	20,456,195.00	23,637,831.00	24,852,885.91	29,907,628.61	26,003,064.82	26,247,860.17	28,370,372.30	25,812,224.44
General administrative services	4,029,875.00	7,155,929.70	2,586,087.00	3,032,406.73	3,460,639.57	2,539,993.30	2,554,851.33	3,830,441.82	3,340,694.81	3,317,141.29
School administrative services	5,856,744.00	5,802,682.89	6,282,400.00	7,039,304.79	6,771,011.54	6,615,263.24	7,227,029.73	7,946,112.78	7,421,893.03	6,443,924.83
Central Services	2,245,490.00	2,255,495.38	2,222,080.00	2,538,104.67	2,650,558.80	2,662,333.94	3,467,547.16	3,672,404.24	3,037,784.21	2,884,571.23
Plant operations and maintenance	27,409,036.00	17,840,345.89	20,334,368.00	22,922,845.90	23,031,834.48	20,999,843.31	20,067,214.83	23,225,140.83	18,614,283.83	19,780,000.03
Pupil transportation	4,788,978.00	4,524,112.21	4,955,343.00	5,025,046.38	5,057,051.44	5,263,917.57	4,642,951.48	4,498,417.31	4,884,905.07	5,178,798.92
Capital Outlay	294,704.00	-	294,853.00	115,688.63	729,366.98	-	-	-	-	-
Special schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	3,818,670.00	6,305,810.70	5,551,788.00	5,297,035.00	4,438,077.17	4,194,051.05	3,768,861.25	3,402,017.58	3,379,106.18	2,509,214.04
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	167,617,051.00	164,717,592.20	166,379,303.00	173,848,736.94	181,127,592.27	199,108,599.81	197,010,496.02	211,339,601.64	210,488,450.69	197,425,619.40
Business-type activities:										
Food service	4,622,148.00	4,639,049.11	5,292,433.00	5,361,535.07	6,059,444.57	6,259,345.84	5,997,473.20	5,842,256.92	5,729,042.66	5,603,054.05
Reading Recovery	20,940.00	14,760.36	5,258.00	25,404.35	52,246.10	20,214.89	-	7,742.24	20,566.78	6,225.16
Total business-type activities expenses	4,643,088.00	4,653,809.47	5,297,691.00	5,386,939.42	6,111,690.67	6,279,560.73	5,997,473.20	5,849,999.16	5,749,609.44	5,609,279.21
Total district expenses	172,260,149.00	169,371,391.67	171,676,994.00	179,235,676.36	187,239,282.94	205,388,160.54	203,007,969.22	217,189,600.80	216,238,060.13	203,034,888.61
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 9,161,646	\$ 11,095,687	\$ 9,655,605	\$ 8,290,413	\$ 9,260,888	\$ 38,566,411	\$ 50,664,179	\$ 66,955,819	\$ 69,330,912	\$ 54,607,593
Charges for Services - Tuition	1,023,823	825,921	1,356,754	1,096,882	1,453,257	11,392,193	11,182,945	9,647,225	7,203,479	6,207,327
Capital grants and contributions	10,185,469.00	11,921,606.00	11,012,359.00	22,071,371.18	22,525,069.42	50,837,597.61	807,101	746,756	498,457	499,210
Total governmental activities program revenues	20,370,938.00	23,843,214.00	22,024,723.00	31,458,672.60	33,240,214.70	100,281,206.32	62,654,124.82	77,349,799.35	77,032,847.67	61,314,120.13
Business-type activities:										
Charges for services:										
Food service	505,612.00	516,835.49	548,129.00	570,969.74	425,687.89	510,870.63	414,910.91	333,263.50	340,203.04	305,713.40
Reading Recovery	31,550.00	1,500.00	4,000.00	46,550.00	55,288.00	1,800.00	-	1,800.00	38,000.00	3,600.00
Operating grants and contributions	4,059,054.00	3,563,632.74	4,170,994.00	4,639,631.17	5,252,066.01	5,717,149.14	5,938,776.28	5,773,476.97	5,743,338.49	5,619,477.37
Total business-type activities program revenue	4,596,116.00	4,081,868.23	4,723,123.00	5,229,150.91	5,733,041.90	6,229,619.77	6,353,687.19	6,108,639.47	6,121,541.53	5,928,790.77
Total district program revenue	14,781,655.00	16,003,476.23	15,735,482.00	27,328,622.09	28,258,111.32	57,067,417.38	69,007,812.01	83,458,338.82	83,154,389.20	67,242,910.90
Net (Expense)/Revenue										
Governmental activities	\$ (157,431,592)	\$ (152,795,974)	\$ (155,366,949)	\$ (151,777,368)	\$ (158,602,523)	\$ (148,271,002)	\$ (134,356,371)	\$ (133,989,802)	\$ (133,465,603)	\$ (136,111,499)
Business-type activities	(46,972.00)	(571,941.24)	(574,568.00)	(129,788.51)	(378,648.77)	(49,740.96)	356,213.99	258,540.31	371,932.09	319,511.56
Total district-wide net expense	\$ (157,478,564.00)	\$ (153,367,915.44)	\$ (155,941,517.00)	\$ (151,907,156.27)	\$ (158,981,171.62)	\$ (148,320,743.16)	\$ (134,000,157.21)	\$ (133,731,261.98)	\$ (133,093,670.93)	\$ (135,791,987.71)

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 101,671,775.00	\$ 114,163,786.00	\$ 117,535,530.00	\$ 118,235,550.00	\$ 118,235,550.00	\$ 118,426,947.00	\$ 81,888,890.00	\$ 81,888,890.00	\$ 38,393,504.00	\$ 37,118,294.00
Casino Philo	11,329,055.00	11,568,037.00	16,452,244.00	16,216,880.00	15,280,194.00	13,529,974.00	-	8,188,344.00	43,495,388.00	44,770,596.00
Taxes levied for debt service	24,901,958.00	23,181,554.87	28,152,952.00	29,236,306.18	30,472,210.06	18,426,353.22	38,247,687.35	52,043,413.83	5,896,593.00	5,896,593.00
Unrestricted grants and contributions	13,990,551.00	13,087,510.03	11,987,016.00	-	-	-	-	-	55,925,883.72	49,317,540.08
Tuition	4,160,837.00	795,224.34	1,641,834.00	2,613,757.76	691,326.14	388,055.31	454,845.65	685,339.55	1,052,916.74	1,058,643.77
Miscellaneous income	(660,000.00)	(700,000.00)	(250,000.00)	(1,825,830.55)	50,604.00	-	-	-	-	-
Transfers & Adjustments	155,394,174.00	162,096,112.24	175,519,676.00	164,476,662.39	164,729,884.20	150,771,329.53	120,591,423.00	142,805,987.38	144,751,376.46	138,161,666.85
Total governmental activities										
Business-type activities:										
Investment earnings	-	6,688.00	-	-	-	-	-	-	-	-
Capital Contributions	660,000.00	700,000.00	250,000.00	-	-	-	-	-	-	-
Transfers	660,000.00	706,688.00	250,000.00	-	-	-	-	-	-	-
Total business-type activities	\$ 156,054,174.00	\$ 162,802,800.24	\$ 175,769,676.00	\$ 164,476,662.39	\$ 164,729,884.20	\$ 150,771,329.53	\$ 120,591,423.00	\$ 142,805,987.38	\$ 144,751,376.46	\$ 138,161,666.85
Total district-wide										
Changes in Net Assets	\$ (2,037,418.00)	\$ 9,300,138.04	\$ 20,152,727.00	\$ 12,699,294.63	\$ 6,127,361.35	\$ 2,500,327.33	\$ (13,764,948.20)	\$ 8,816,185.09	\$ 11,285,773.44	\$ 2,050,167.58
Governmental activities	613,028.00	134,748.76	(324,568.00)	(129,788.51)	(378,648.77)	(49,740.96)	356,213.99	258,540.31	371,932.09	319,511.56
Business-type activities	(1,424,390.00)	9,434,884.80	19,828,159.00	12,569,508.12	5,748,712.58	2,450,568.37	(13,408,734.21)	9,074,725.40	11,657,705.53	2,369,679.14
Total district										

Source: CAFR Schedule A-2

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ -	\$ 19,091,220.40	\$ 20,037,565.00	\$ 24,116,470.30	\$ 20,139,347.63	\$ 7,188,801.54	\$ 7,202,888.02	\$ 23,192,841.36	\$ 33,533,176.40	\$ 33,074,772.17
Committed	-	2,384,708.28	10,466,476.00	9,914,364.00	8,393,127.92	835,703.54	281,384.38	341,058.05	1,355,192.07	1,181,443.06
Assigned	-	1,104,883.00	2,284,736.00	2,937,211.00	3,369,047.16	7,459,958.46	5,575,809.00	2,201,159.98	5,417,166.66	6,638,831.94
Unassigned	-	2,461,643.55	2,149,969.00	2,250,368.00	1,816,073.29	844,178.50	1,363,530.73	2,106,804.00	964,863.28	589,265.06
Reserved	19,836,230.00	-	-	-	-	-	-	-	-	-
Unreserved	2,218,854.00	-	-	-	-	-	-	-	-	-
Total general fund	\$ 22,055,084.00	\$ 25,041,855.23	\$ 34,938,746.00	\$ 39,218,413.30	\$ 33,717,596.00	\$ 16,328,642.04	\$ 14,423,612.13	\$ 27,841,863.39	\$ 41,270,398.41	\$ 41,484,312.23
All Other Governmental Funds										
Restricted	\$ -	\$ 13,765,150.85	\$ 8,225,425.00	\$ 3,540,756.00	\$ 2,231,151.41	\$ 2,168,395.32	\$ 2,155,471.58	\$ 2,007,735.08	\$ 2,005,985.08	\$ 2,678,763.16
Committed	-	-	-	-	152,118.52	-	-	-	-	-
Assigned	-	188,158.00	235,364.00	-	906,649.00	12,609,857.00	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	(783,503.00)	-	-	-	-	-	-	-	-	-
Capital projects fund	11,789,768.00	-	-	-	-	-	-	-	-	-
Debt service fund	188,272.00	-	-	-	-	-	-	-	-	-
Permanent Fund	10,617.00	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 11,205,154.00	\$ 13,953,308.85	\$ 8,460,789.00	\$ 3,540,756.00	\$ 3,289,918.93	\$ 14,778,252.32	\$ 2,155,471.58	\$ 2,007,735.08	\$ 2,005,985.08	\$ 2,678,763.16

Source: CAFR Schedule B-1

Exhibit J-4

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 113,000,828.00	\$ 125,731,823.00	\$ 133,987,774.00	\$ 134,452,430.00	\$ 133,515,744.00	\$ 131,956,921.00	\$ 81,888,890.00	\$ 90,077,234.00	\$ 44,277,180.00	\$ 43,014,887.00
Casino Pilot									43,495,386.00	44,770,596.00
Tuition charges	13,990,550.00	13,087,510.03	11,987,016.34	12,684,076.00	11,453,256.70	11,392,183.40	11,182,844.50	9,647,224.54	7,203,478.97	6,207,326.82
Miscellaneous	4,160,841.00	805,224.34	1,648,935.00	2,617,871.00	695,190.29	394,668.93	464,985.96	703,872.97	1,065,935.46	1,090,644.69
State sources	27,088,771.00	26,523,170.42	31,070,315.00	32,373,786.00	35,135,462.06	36,104,251.47	58,521,600.13	74,624,747.18	79,670,797.85	74,090,240.71
Federal sources	7,998,656.00	8,569,992.45	8,087,995.00	6,245,237.00	6,404,696.57	6,869,315.34	9,352,984.23	10,067,990.04	10,798,141.85	11,820,376.76
Total Revenue	166,239,646.00	174,717,720.24	186,782,036.34	188,373,400.00	187,204,349.62	186,717,340.14	161,411,307.82	185,120,877.73	186,510,920.13	180,984,071.98
Expenditures										
Instruction:										
Regular instruction	33,451,799.00	33,973,473.07	34,652,480.00	36,814,162.00	39,524,062.20	39,177,724.87	35,915,819.90	38,373,081.00	39,182,207.18	39,051,614.05
Special education instruction	16,020,040.00	17,429,793.25	17,341,318.00	15,803,565.00	17,239,535.84	18,831,970.76	19,959,808.81	19,700,381.58	20,150,827.56	21,558,723.48
Other special education instruction	12,591,193.00	11,911,552.81	12,311,440.00	13,701,060.00	14,187,751.87	13,620,528.41	8,366,531.31	7,445,385.02	8,133,058.64	8,361,999.98
Support Services:										
Tuition	14,505,847.00	13,943,628.85	15,091,976.00	13,242,856.00	11,225,827.85	12,285,017.11	12,674,162.07	13,208,303.77	15,780,498.66	15,029,126.62
Student & instruction related services	16,696,955.00	15,299,914.13	15,043,882.00	16,567,977.00	17,827,719.84	17,906,001.70	14,326,109.27	13,723,921.50	15,230,800.90	15,285,652.93
General administrative services	3,031,806.00	6,081,131.76	1,812,582.00	2,028,162.00	2,432,938.31	1,954,234.70	1,706,552.19	2,260,416.05	2,400,785.68	2,633,755.27
School administrative services	4,406,220.00	4,267,734.78	4,889,306.00	4,690,436.00	4,906,531.64	5,089,689.39	4,827,405.50	4,689,151.18	5,333,733.10	5,116,369.04
Central Services	1,689,356.00	1,658,863.06	1,557,450.00	1,695,292.00	1,901,325.34	2,048,361.85	2,316,201.38	2,167,155.08	13,340,007.20	14,774,935.67
Plant operations and maintenance	13,868,230.00	13,318,176.62	14,252,304.00	15,308,118.00	16,521,425.10	16,156,980.58	12,518,745.29	13,705,594.14	4,884,905.07	5,178,798.92
Plant transportation	4,768,978.00	4,824,112.21	4,855,343.00	5,025,046.00	5,057,051.44	5,263,917.57	4,642,951.48	4,498,417.31	2,183,089.39	2,290,301.80
Unallocated employee benefits	30,443,617.00	33,330,673.74	36,558,006.00	39,969,312.00	41,630,913.01	43,977,096.34	43,779,391.17	42,408,208.93	39,143,375.39	41,172,627.89
Special Schools	221,716.00									
Capital outlay	39,436,214.00	27,003,192.00	6,164,422.00	6,676,059.00	2,612,501.93	992,378.33	488,482.10	689,580.50	871,673.24	3,186,359.71
Debt service:										
Principal	8,820,000.00	9,540,000.00	11,880,000.00	12,155,000.00	12,290,000.00	10,965,000.00	9,680,000.00	5,560,000.00	3,185,000.00	3,325,000.00
Interest and other charges	3,345,069.00	6,000,547.00	6,117,166.00	5,325,556.00	4,798,419.44	4,329,059.10	3,736,958.00	3,420,766.91	3,264,163.10	3,132,114.72
Total Expenditures	203,297,040.00	198,282,793.28	182,127,865.00	189,002,601.00	192,156,003.81	192,617,960.71	174,939,118.47	171,850,362.97	173,084,135.11	180,097,380.08
Excess (Deficiency) of Revenues over (under) Expenditures	(37,057,394.00)	(23,565,073.04)	4,654,371.34	(629,201.00)	(4,951,654.19)	(5,900,620.57)	(13,527,810.65)	13,270,514.76	13,426,785.02	886,691.90
Other Financing Sources (Uses)										
Bond & Lease Proceeds	50,321,000.00	30,000,000.00								
Transfers	(660,000.00)	(700,000.00)	(250,000.00)		(800,000.00)		(1,000,000.00)			
Workers Compensation Fund										
Total other financing sources (uses)	49,661,000.00	29,300,000.00	(250,000.00)		(800,000.00)		(1,000,000.00)			
Net change in fund balances	\$ 12,603,606.00	\$ 5,734,926.96	\$ 4,404,371.34	\$ (629,201.00)	\$ (5,751,654.19)	\$ (5,900,620.57)	\$ (14,527,810.65)	\$ 13,270,514.76	\$ 13,426,785.02	\$ 886,691.90
Debt service as a percentage of noncapital expenditures	7%	9%	10%	10%	9%	8%	8%	5%	4%	4%

Source: CAFR Schedule B-2

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Miscellaneous</u>	<u>Totals</u>
2010	490,059.00	13,990,550.00	3,670,781.73	18,151,390.73
2011	520,497.60	13,087,510.03	263,928.18	13,871,935.81
2012	306,911.67	11,987,016.34	1,342,022.00	13,635,950.01
2013	181,049.26	12,684,076.04	1,577,401.54	14,442,526.84
2014	34,228.87	11,453,256.70	656,981.26	12,144,466.83
2015	55,000.00	11,392,183.40	332,320.49	11,779,503.89
2016	0.26	11,182,844.50	451,715.60	11,634,560.36
2017	-	9,647,224.54	676,754.19	10,323,978.73
2018	10,760.02	7,203,478.97	1,019,526.62	8,233,765.61
2019	192,514.65	6,207,326.82	822,428.53	7,222,270.00

Source: District Records

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

City of Atlantic City											
Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value	
2010	1,181,823,900	2,799,361,800	16,222,646,800	4,848,500	262,355,900	20,471,036,900	9,817,552	20,480,854,452	0.584	20,143,170,351	
2011	1,266,586,600	2,655,289,700	15,293,324,400	4,484,800	228,780,000	19,448,465,500	9,365,428	19,457,830,928	0.670	15,448,890,426	
2012	1,047,061,800	2,529,214,300	14,273,972,200	4,484,800	223,515,900	18,078,249,000	9,086,367	18,087,335,367	0.742	15,016,404,000	
2013	990,057,400	2,276,786,145	10,931,800,500	4,434,800	191,826,300	14,394,905,145	7,968,531	14,402,873,676	0.929	15,084,255,627	
2014	768,923,100	2,100,464,715	8,207,089,300	4,069,800	185,632,200	11,266,179,115	6,538,788	11,272,717,903	1.197	11,867,756,704	
2015	462,757,500	1,910,222,855	4,792,899,500	4,069,800	172,916,700	7,342,866,355	7,027,851	7,349,894,206	1.239	7,349,894,206	
2016	415,929,500	1,685,997,740	4,251,201,600	4,972,800	151,651,000	6,509,752,640	6,128,664	6,515,881,304	1.536	7,498,023,144	
2017	366,992,996	1,539,063,900	1,050,265,704	3,672,800	146,635,300	3,106,630,700	100	3,106,630,800	1.349	3,118,902,176	
2018	352,267,340	1,391,844,300	981,161,500	13,149,800	144,569,300	2,882,992,240	-	2,882,992,240	1.493	2,646,814,938	
2019	331,347,290	1,311,303,900	735,758,000	13,149,800	133,362,700	2,524,921,690	-	2,524,921,690	1.691	2,458,601,026	

Source: County Abstract of Ratables & Municipal Tax Assessor

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Year Ended Dec. 31,	CITY OF ATLANTIC CITY SCHOOL DISTRICT			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	Municipal Local Purpose	
2010	0.529	0.055	0.584	0.253	0.005	0.967	1.809
2011	0.611	0.059	0.670	0.237	0.004	1.036	1.947
2012	0.652	0.090	0.742	0.287	0.005	1.130	2.164
2013	0.821	0.108	0.929	0.227	0.002	1.384	2.542
2014	1.059	0.138	1.197	0.354	0.003	1.794	3.348
2015	1.213	0.026	1.239	0.384	0.001	1.798	3.422
2016	1.410	0.126	1.536	0.383	-	1.941	3.860
2017	1.236	0.113	1.349	0.241	-	1.831	3.421
2018	1.288	0.205	1.493	0.209	-	1.831	3.533
2019	1.457	0.234	1.691	0.456	0.002	1.835	3.984

N/A = Municipal Tax Rate is not available

Source: District Records and Municipal Tax Collector

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2019			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mirage A C Corp (MAC)	150,630,496.00	1	5.97%	799,111,300.00	8	3.90%
AC Holding Corp	20,501,800.00	2	0.81%			
TJM AC Hotel LLC	19,225,100.00	3	0.76%			
CRDA	18,900,000.00	4	0.75%			
TJM Atlantic City LLC	17,014,200.00	5	0.67%			
Grand Prix Atlantic C/O Hema Gandhi	13,700,000.00	6	0.54%			
CRDA Renaissance c/o AAC Management	13,000,000.00	7	0.51%			
Caesars Atlantic City LLC	9,500,000.00	8	0.38%			
Thermal Energy Limited Partnership I	9,477,000.00	9	0.38%			
Showboat Renaissance LLC	8,660,500.00	10	0.34%			
Trump Taj Mahal Assoc				1,625,504,800.00	4	7.94%
Boardwalk Regency				1,698,906,000.00	3	8.30%
Showboat Land, LLC				1,103,806,900.00	6	5.39%
Marina District Development				2,239,181,400.00	1	10.93%
Marina Associates (Borgata)				1,800,805,900.00	2	8.79%
Bally Park Place of NJ				1,040,105,400.00	7	5.08%
Adamar of New Jersey				1,258,906,600.00	5	6.15%
RIH Acquisitions				721,779,400.00	10	3.52%
Resorts International (Resorts)				721,779,400.00	9	3.52%
Totals	<u>\$ 280,609,096.00</u>		<u>11.11%</u>	<u>\$ 13,009,887,100.00</u>		<u>63.52%</u>
	District Assessed Value		<u>\$ 2,524,921,690.00</u>			<u>\$ 20,480,854,452.00</u>

Source: District CAFR & Municipal Tax Assessor

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	125,731,823.00	113,000,828.00	90%	12,730,995.00
2011	125,731,823.00	125,731,823.00	100%	-
2012	133,987,774.00	133,987,774.00	100%	-
2013	134,452,430.00	134,452,430.00	100%	-
2014	133,515,744.00	133,515,744.00	100%	-
2015	131,956,921.00	131,956,921.00	100%	-
2016	81,888,890.00	81,888,890.00	100%	-
2017	81,888,890.00	90,077,234.00	110%	-
2018	81,888,890.00	87,772,566.00	107%	-
2019	81,888,890.00	87,785,483.00	107%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	* Percentage of Personal Income	* Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2010	107,176,000.00	4,220,000.00	-	-	-	111,396,000.00	0.04%	39,711.00
2011	128,706,000.00	3,305,000.00	-	-	-	132,011,000.00	0.03%	41,187.00
2012	118,126,000.00	2,240,000.00	-	-	-	120,366,000.00	0.03%	42,099.00
2013	107,076,000.00	1,135,000.00	-	-	-	108,211,000.00	0.04%	42,099.00
2014	95,921,000.00	-	-	-	-	95,921,000.00	0.04%	42,099.00
2015	84,936,000.00	-	-	-	-	84,936,000.00	0.04%	35,165.00
2016	75,256,000.00	-	-	-	-	75,256,000.00	0.05%	37,198.00
2017	69,696,000.00	-	-	-	-	69,696,000.00	0.06%	44,254.00
2018	63,161,000.00	-	-	-	-	63,161,000.00	0.00%	44,254.00
2019	64,444,000.00	-	-	-	-	64,444,000.00	0.07%	46,557.00

* Information presented for Atlantic County, not just the City of Atlantic City.

Source: District CAFR Schedules I-1, I-2

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita Personal Income
	General Obligation Bonds	Deductions			
2010	107,176,000.00	-	107,176,000.00	0.52%	39,711
2011	128,706,000.00	-	128,706,000.00	0.66%	41,187
2012	118,126,000.00	-	118,126,000.00	0.65%	42,099
2013	107,076,000.00	-	107,076,000.00	0.74%	42,099
2014	95,921,000.00	-	95,921,000.00	0.85%	42,099
2015	84,936,000.00	-	84,936,000.00	1.16%	35,165
2016	75,256,000.00	-	75,256,000.00	1.15%	43,336
2017	69,696,000.00	-	69,696,000.00	2.24%	37,198
2018	63,161,000.00	-	63,161,000.00	2.19%	44,254
2019	64,444,000.00	-	64,444,000.00	2.55%	46,557

* Information presented for Atlantic County, not just the City of Atlantic City.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
For the Year Ended December 31, 2018.

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Atlantic City	\$ 376,229,000.00	100.00%	\$ 376,229,000.00
Other Debt			
County of Atlantic	113,688,617.15	7.86%	8,932,477.58
Subtotal, Overlapping Debt			385,161,477.58
City of Atlantic City School District Debt			75,256,000.00
Total Direct and Overlapping Debt			<u>\$ 460,417,477.58</u>

Sources: City of Atlantic City and Atlantic County Finance Office

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Years

Exhibit J-13

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 848,732,324.00	\$ 752,465,694.00	\$ 717,219,749.00	\$ 652,363,176.00	\$ 638,092,277.00	\$ 551,482,382.00	\$ 463,193,332.29	\$ 347,803,929.09	\$ 234,986,888.15	\$ 159,827,730.57
Total net debt applicable to limit	107,176,000.00	128,706,000.00	118,126,000.00	107,076,000.00	95,921,000.00	84,936,000.00	75,256,000.00	69,696,000.00	69,696,000.00	63,161,000.00
Legal debt margin	\$ 741,556,324.00	\$ 623,759,694.00	\$ 599,093,749.00	\$ 545,287,176.00	\$ 542,171,277.00	\$ 466,546,382.00	\$ 387,937,332.29	\$ 278,107,929.09	\$ 165,290,888.15	\$ 96,666,730.57
Total net debt applicable to the limit as a percentage of debt limit	12.63%	17.10%	16.47%	16.41%	15.03%	15.40%	16.25%	20.04%	29.66%	39.52%

Equalized valuation basis
 2018 \$ 2,757,788,636.00
 2017 2,799,270,770.00
 2016 6,430,020,387.00
\$ 11,987,079,793.00

\$ 3,995,683,264.33
 159,827,730.57
 75,256,000.00
\$ 84,571,730.57

Source: District Records CAFR

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
2010	39,574	1,571,523.11	39,711	16.30%
2011	39,527	1,627,998.55	41,187	17.30%
2012	39,527	1,664,047.17	42,099	17.8%
2013	39,504	1,663,078.90	42,099	19.6%
2014	39,551	1,665,057.55	42,099	16.5%
2015	39,415	1,386,028.48	35,165	14.8%
2016	39,260	1,701,371.36	43,336	13.2%
2017	38,735	1,440,864.53	37,198	10.1%
2018	38,429	1,700,636.97	44,254	10.1%
2019	37,804	1,760,040.83	46,557	7.7%

* Information presented for Atlantic County, not just the City of Atlantic City.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
Principal Employers,
Current Year and Ten Years Ago**

Exhibit J-15

Employer	2019			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

This information is not available.

Source: N/A

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Exhibit J-16

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
Instruction:										
Regular instruction	607	577	634	644	643	609	520	520	484	546
Special education instruction	173	127	138	132	135	198	201	203	220	139
Other Instruction	13	61	42	47	45	30	31	31	44	59
Support Services:										
Student & instruction related services	131	158	96	105	106	143	94	94	107	103
General administrative services	10	12	10	10	10	10	4	11	11	11
School administrative services	59	62	55	77	76	59	53	48	48	48
Central Services	22	22	23	38	36	25	26	16	19	20
Plant operations and maintenance	149	141	141	142	145	157	142	145	145	145
Pupil transportation	2	21	2	2	2	2	2	2	2	2
Food Service	1	1	1	1	1	1	1	1	1	1
Total	1,167	1,182	1,142	1,198	1,199	1,234	1,074	1,071	1,081	1,074

Source: District Personnel Records

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2010	7,106	151,695,757.00	21,348	3.13%	721	9:1	n/a	11:1	6,411	5,952	2.89%	92.84%
2011	7,067	155,739,054.28	22,038	3.23%	772	9:1	n/a	11:1	6,484	6,057	1.14%	93.41%
2012	7,041	157,966,087.00	22,435	1.80%	814	9:1	n/a	11:1	6,416	5,981	-1.05%	93.22%
2013	7,290	164,845,986.00	22,613	0.79%	823	9:1	n/a	11:1	6,915	6,455	7.77%	93.35%
2014	7,221	172,455,082.44	23,882	5.62%	823	9:1	n/a	11:1	7,164	6,548	3.61%	91.40%
2015	7,188	176,311,523.28	24,529	2.71%	837	15:1	n/a	11:1	7,106	6,658	-0.81%	93.70%
2016	7,155	161,033,678.37	22,506	-8.24%	721	9:1	n/a	13:1	7,118	6,642	0.17%	93.31%
2017	7,054	162,180,015.56	22,991	2.15%	723	9:1	n/a	13:1	6,969	6,448	-2.09%	92.52%
2018	6,982	165,763,298.77	23,742	3.26%	718	11:1	n/a	12:1	6,952	6,404	-0.24%	92.12%
2019	6,789	170,453,905.65	25,107	5.75%	711	10:1	n/a	12:1	6,550	6,042	-5.78%	92.24%

Source: District records, ASSA and Schedules J-12, J-14

CITY OF ATLANTIC CITY SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Buildings										
Elementary										
Brighton Avenue (1905 & 1916)										
Square Feet	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100
Capacity (students)	315	315	63	315	315	315	315	315	315	315
Enrollment	358	346	89	-	339	340	385	368	346	347
Chelsea Heights (1950, 1976 & 2001)										
Square Feet	32,100	32,100	32,100	32,100	32,100	32,100	32,100	32,100	32,100	32,100
Capacity (students)	388	388	388	388	388	388	388	388	388	388
Enrollment	415	383	387	408	284	345	372	373	367	371
Dr. Martin Luther King School (1976 & 2001)										
Square Feet	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200
Capacity (students)	811	811	811	811	811	811	811	811	811	811
Enrollment	539	576	667	779	692	680	625	636	599	629
Indiana Avenue (1906 & 1922) East Campus										
Square Feet	76,640	76,640	76,640	76,640	76,640	76,640	76,640	76,640	76,640	76,640
Capacity (students)	549	549	549	549	549	549	549	549	549	549
Enrollment (closed)	41	110	194	163	73	42	-	-	-	-
New Jersey Avenue (1925)										
Square Feet	78,880	78,880	78,880	78,880	78,880	78,880	78,880	78,880	78,880	78,880
Capacity (students)	781	781	781	781	781	781	781	781	781	781
Enrollment (closed)	299	351	357	-	-	-	-	-	-	-
New York (2004)										
Square Feet	96,619	96,619	96,619	96,619	96,619	96,619	96,619	96,619	96,619	96,619
Capacity (students)	728	728	720	720	720	720	720	720	720	720
Enrollment	535	582	613	600	672	604	610	569	605	571
Pennsylvania Avenue (2012)										
Square Feet	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000
Capacity (students)	733	733	733	733	733	733	733	733	733	733
Enrollment	-	-	-	628	640	551	562	555	559	553
Richmond Avenue (2012)										
Square Feet	-	-	119,140	119,140	119,140	119,140	119,140	119,140	119,140	119,140
Capacity (students)	-	-	623	623	623	623	623	623	623	623
Enrollment	-	-	418	399	611	631	640	665	715	669

CITY OF ATLANTIC CITY SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Buildings</u>										
Sovereign Avenue (2004)										
Square Feet	105,350	105,350	105,350	105,350	105,350	105,350	105,350	105,350	105,350	105,350
Capacity (students)	719	719	144	719	719	719	719	719	719	719
Enrollment	736	798	891	909	737	744	772	743	736	730
Texas Avenue (1928 & 1956)										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (students)	405	405	405	405	405	405	405	405	405	405
Enrollment	591	618	610	576	582	549	531	551	560	534
Uptown School Complex (1977, 1988 & 2001)										
Square Feet	111,385	111,385	111,385	111,385	111,385	111,385	111,385	111,385	111,385	111,385
Capacity (students)	654	654	654	654	654	654	654	654	654	654
Enrollment	626	581	563	539	617	593	598	601	571	540
Venice Park (1950) (Preschool)										
Square Feet	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	79	97	84	99	93	104	93	97	75	67
<u>High School</u>										
Atlantic City High School (1994)										
Square Feet	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
Capacity (students)	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703
Enrollment	2,292	2,104	2,174	1,416	1,881	1,906	1,967	1,843	1,849	1,778
<u>Other</u>										
Boathouse (1994)										
Square Feet	12,039	12,039	12,039	12,039	12,039	12,039	12,039	12,039	12,039	12,039
Total Enrollment	6,511	6,546	7,047	6,516	7,221	7,089	7,155	7,001	6,982	6,789
Number of Schools at June 30, 2019										
Pre-school - 1.										
Elementary - 9										
High School - 1										
Alternative High School - closed										

Source: District Records, ASSA

Exhibit J-19

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Atlantic City High School	N/A	\$ 687,048.72	\$ 973,821.45	\$ 1,672,030.00	\$ 1,084,189.00	\$ 1,679,476.90	\$ 1,346,828.00	\$ 653,337.63	\$ 766,824.25	\$ 848,151.83	\$ 992,366.59
Boathouse	N/A	9,673.58	10,921.51	14,764.00	-	-	-	-	19,962.00	50,264.40	-
Texas Avenue	N/A	285,894.10	282,703.47	294,818.00	281,268.00	280,233.87	153,923.00	74,667.06	106,619.00	102,902.56	138,068.40
Uptown School Complex	N/A	430,614.42	405,562.87	441,091.00	369,974.00	504,892.32	307,846.00	149,334.12	185,526.00	179,056.12	240,292.94
Dr. Martin Luther King School	N/A	381,357.93	405,562.87	251,337.00	357,631.00	497,383.61	230,885.00	112,000.83	151,944.00	210,233.18	196,747.46
New Jersey Avenue (closed)	N/A	132,207.37	173,847.77	123,966.00	357,631.00	675.43	230,885.00	112,000.83	131,278.00	37,556.40	1,749.59
Indiana Avenue	N/A	263,490.43	183,847.77	176,636.00	231,516.00	126,002.24	192,404.00	93,333.95	127,520.00	24,289.13	165,336.90
Brighton Avenue	N/A	312,316.94	121,858.85	66,060.00	98,000.00	232,167.16	153,923.00	74,667.06	88,301.00	85,206.54	114,553.62
Richmond Avenue	N/A	70,599.21	6,012.28	96,879.00	175,937.00	79,871.54	307,846.00	149,334.12	188,443.00	191,522.01	257,023.95
Chelsea Heights	N/A	244,309.29	201,788.39	149,203.00	197,107.00	187,335.74	76,862.00	37,333.77	53,544.00	51,685.10	69,249.83
Pennsylvania Avenue	N/A	-	-	-	66,480.00	90,752.56	269,365.00	130,667.24	171,436.00	165,443.87	222,203.82
Maintenance	N/A	-	-	-	-	-	-	-	-	-	-
Administration Building	N/A	-	-	-	-	-	-	-	-	-	-
Ohio Avenue	N/A	-	-	-	-	-	-	-	-	-	-
New York	N/A	180,158.90	162,458.68	196,642.00	242,245.00	362,997.35	269,365.00	130,667.24	160,868.00	155,250.82	208,437.97
Sovereign Avenue	N/A	243,112.59	227,248.14	230,969.00	179,810.00	155,245.59	269,365.00	130,667.24	175,428.00	169,305.19	227,273.52
Venice Park	N/A	69,884.41	98,786.31	38,121.00	53,120.00	29,818.84	38,481.00	18,666.89	11,742.00	11,311.44	15,470.24
Total School Facilities	N/A	3,310,867.89	3,116,625.01	3,752,516.00	3,337,177.00	4,226,853.15	3,848,078.00	1,866,677.98	2,348,435.25	2,282,178.60	2,848,773.83
Other Facilities	N/A	68,180.20	120,309.80	-	100,000.00	242,186.00	-	-	-	-	-
Grand Total	N/A	\$ 3,379,048.09	\$ 3,236,934.81	\$ 3,752,516.00	\$ 3,437,177.00	\$ 4,469,039.15	\$ 3,848,078.00	\$ 1,866,677.98	\$ 2,348,435.25	\$ 2,282,178.60	\$ 2,848,773.83

Source: District Records

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
Multi - peril policy expiring July 1, 2016 with New Jersey School Boards Association Insurance Group providing the following coverage:			
	Property		
	Real and Personal Property	500,000,000	5,000
	Valuable Papers	10,000,000	5,000
	Extra Expenses - Blanket	50,000,000	5,000
	Earthquake	50,000,000	-
	Demolition & Increased Cost of Construction	25,000,000	-
	Loss of Business Income / Tuition	2,100,000	-
	Flood - Zone A & V	75,000,000	500,000
	All other Zones	-	10,000
	Special Flood Hazard Area	25,000,000	500,000
		-	-
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup & Removal	250,000	
	Terrorism - each Occurrence	1,000,000	
	Accounts Receivable	250,000	per occurrence
	Liability		
	Comprehensive Coverage	16,000,000	1,000
	Boiler & Machinery		
	Property Damage	100,000,000	5,000
	Sub limits		
	Off Premises Property Damage	1,000,000	5,000
	Business Income	Included	
	Extra Expense	10,000,000.00	5,000.00
	Service Interruption	10,000,000.00	5,000.00
	Contingent Business Income	1,000,000.00	5,000.00
	Perishable Goods	1,000,000.00	5,000.00
	Data Restoration	1,000,000.00	5,000.00
	Demolition	1,000,000.00	5,000.00
	Ordinance or Law	1,000,000.00	5,000.00
	Newly Acquired Locations	1,000,000.00	5,000.00
	Expediting Expenses	1,000,000.00	5,000.00
	Hazardous Substances	1,000,000.00	5,000.00
	Electronic Data Processing		
	Data Processing Equipment	5,000,000.00	1,000.00
	Computer Virus	250,000.00	1,000.00
	Crime		
	Public Employees Dishonesty with Faithful Performance	250,000.00	1,000.00
	Theft Disappearance and Destruction - Loss of Money & Securities On or Off Premises	10,000.00	500.00
	Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	10,000.00	500.00
	Forgery or Alteration	250,000.00	1,000.00
	Computer Fraud	250,000.00	1,000.00
	Board Secretary	75,000.00	1,000.00
	Treasurer	600,000.00	1,000.00
	Business Administrator	225,000.00	1,000.00

Source: District Records

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantic City School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Atlantic City School District's basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

December 6, 2019



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

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

Report on Compliance for Each Major Federal & State Program

We have audited the City of Atlantic City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of Atlantic City School District's major federal and state programs for the year ended June 30, 2019. The City of Atlantic City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Atlantic City School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance and New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance 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 City of Atlantic City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the City of Atlantic City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City of Atlantic City School District's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Atlantic City School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Atlantic City School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

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

December 6, 2019

CITY OF ATLANTIC CITY SCHOOL DISTRICT
 State Fiscal Year ended June 30, 2019
 or the Fiscal Year ended June 30, 2019

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Project Number	Program or Award Amount	Grant Period From To	Accounts Receivable	Balances at June 30, 2018	Committed/ (Waived) Amount	Cash Received	Budgetary Expenditures		Reimbursement of Prior Years' Balances	Accounts Receivable at June 30, 2019	Deferred Revenue	Due to Grantor at June 30, 2019
									Pass Through	Direct				
U.S. Department of Education														
General Fund:														
Impact Aid	84-041	S041B10033	\$ 36,890.31	9/1/2018	9/3/2019	\$ -	\$ -	\$ 36,890.31	\$ (36,890.31)	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Health and Human Services														
Pass-Through State Department of Health														
Medical Assistance Program (SEM)	93-778	1902ANUMAP	316,267.77	9/1/2018	9/3/2019	-	-	316,267.77	(316,267.77)	-	-	-	-	-
Total General Revenue Fund														
U.S. Department of Education														
Pass-Through State Department of Education														
Special Revenue Fund:														
Title I														
NCLB19	84-010	S010A10030	6,345,995.29	7/1/2018	9/30/2019	(1,586,880.00)	1,054,920.71	2,822,522.00	(6,653,928.26)	-	(3,523,473.29)	1,746,887.74	-	-
NCLB18	84-010	S010A10030	5,085,695.00	7/1/2017	9/30/2018	-	(1,054,920.71)	1,586,880.00	-	-	-	-	-	-
IDEA19	84-027	H027A10100	1,779,775.00	7/1/2018	9/30/2019	(183,375.24)	9,129.00	1,671,640.76	(1,786,780.00)	-	(107,154.24)	1,124.00	-	-
IDEA18	84-027	H027A10100	1,719,670.24	7/1/2017	9/30/2018	-	(9,129.00)	183,375.24	-	-	-	-	-	-
IDEA19	84-173	H173A10014	40,698.00	7/1/2018	9/30/2019	(38,436.00)	7/1/2018	38,436.00	(10,733.00)	-	(29,965.00)	29,965.00	-	-
IDEA18	84-173	H173A10114	38,436.00	7/1/2017	9/30/2018	(24,918.00)	-	-	-	-	(38,436.00)	(958.00)	-	-
IDEA17	84-173	H173A10114	38,364.00	7/1/2016	9/30/2017	-	23,991.00	-	-	-	-	-	-	-
Perkins	84-048	V048A10030	90,069.00	7/1/2018	9/30/2019	(104,124.79)	13,244.59	74,267.00	(96,595.69)	-	(15,802.00)	6,717.90	-	-
PERK19	84-048	V048A10030	104,125.00	7/1/2017	9/30/2018	-	(13,244.59)	19,510.00	-	-	(84,611.79)	198,037.00	-	-
NCLB19	84-367A	S367A10029	416,025.00	7/1/2018	9/30/2019	(317,396.83)	187,807.00	317,396.83	(405,756.00)	-	(282,461.83)	-	-	-
NCLB18	84-367A	S367A10029	509,710.83	7/1/2017	9/30/2018	-	(187,807.00)	-	-	-	-	-	-	-
NCLB19	84-365	S365A10030	293,375.29	7/1/2018	9/30/2019	(53,964.00)	19,630.00	53,964.00	(225,045.00)	-	(38,086.00)	26,372.00	-	-
NCLB18	84-365	S365A10030	187,726.00	7/1/2017	9/30/2018	-	(19,630.00)	-	-	-	(273,398.00)	310,667.00	-	-
NCLB19	84-424	S424A10031	277,131.00	7/1/2018	9/30/2019	(61,933.00)	58,433.00	3,133.00	(24,897.00)	-	(58,433.00)	-	-	-
NCLB18	84-424	S424A10031	62,546.00	7/1/2017	9/30/2018	-	(58,433.00)	3,369.00	-	-	-	-	-	-
Race To The Top 3	84-413	B413A10008	118,630.00	9/1/2015	9/3/2016	-	215.51	-	-	-	-	215.51	-	-
ARRA Race To The Top Preschool Development Grant-Expansion	84-419B	S419B10020	3,327,995.00	7/1/2018	9/30/2019	-	-	2,659,873.89	(3,241,471.53)	-	(668,121.11)	86,523.47	-	-
ARRA Race To The Top Preschool Development Grant-Expansion	84-419B	S419B10020	2,637,011.11	7/1/2017	9/30/2018	(993,746.11)	327,599.00	666,147.11	-	-	-	-	-	-
Temporary Emergency Insect Aid	84-398C	N/A	14,530.00	7/1/2018	9/30/2018	(111,500.00)	-	111,500.00	(14,530.00)	-	(14,530.00)	-	-	-
Temporary Emergency Insect Aid	84-398C	N/A	111,500.00	7/1/2017	9/30/2018	-	-	-	-	-	-	-	-	-
Total Special Revenue Fund														
U.S. Department of Agriculture														
Pass-Through State Department of Agriculture														
Enterprise Fund:														
Child and Adult Care Food Program	10-558	19161NJ04N2020	250,369.40	7/1/2018	9/30/2019	-	-	173,040.39	(250,369.40)	-	(77,320.01)	-	-	-
Child and Adult Care Food Program	10-558	19161NJ04N2020	386,583.14	7/1/2017	9/30/2018	(7,001.18)	7,001.18	-	-	-	-	-	-	-
National School Lunch Program	10-555	19161NJ04N1099	3,010,205.20	7/1/2018	9/30/2019	(590,619.31)	2,463,484.95	590,619.31	(3,010,205.20)	-	(546,720.25)	-	-	-
National School Lunch Program	10-555	19161NJ04N1099	3,121,569.27	7/1/2017	9/30/2018	-	-	-	-	-	-	-	-	-
National School Breakfast Program	10-553	19161NJ04N1099	1,896,317.42	7/1/2018	9/30/2019	(386,328.47)	1,538,164.45	386,328.47	(1,896,317.42)	-	(358,160.97)	-	-	-
National School Breakfast Program	10-553	19161NJ04N1099	1,866,633.09	7/1/2017	9/30/2018	-	-	-	-	-	-	-	-	-
Fresh Fruit & Vegetable	10-582	19161NJ04L1803	244,704.06	7/1/2018	9/30/2019	-	-	184,956.65	(244,704.06)	-	(48,747.41)	-	-	-
Food Distribution Program	10-585	19161NJ04N1099	167,346.09	7/1/2018	9/30/2019	-	-	167,346.09	(167,346.09)	-	(1,031,948.64)	-	-	-
Total Enterprise Fund														
Total Federal Financial Awards														
\$ (6,465,275.93) \$ 1,670,978.81 \$ - \$ - \$ 16,415,715.57 \$ (17,218,879.72) \$ (17,218,879.72) \$ (7,381,679.72) \$ 2,405,545.62														

The accompanying Notes to Schedules of Expenditures of Awards of Financial Assistance are an integral part of this schedule.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Reversal of Prior Years' Balances	Balance at June 30, 2019		Due to Grantor	MEMO		
			From	To	(Accounts Receivable)	Revenue /					(Accounts Receivable)	Budgetary Receivable		Cumulative Total Expenditures		
State Department of Education																
General Fund:																
On-Behalf-Teachers' Pension	19-495-034-5120-089	\$ 5,620,334.00	7/1/2018	6/30/2019	\$ -	\$ -	\$ 5,218,232.51	\$ (5,620,334.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (402,101.49)	\$ 5,620,334.00	
Categorical Special Education Aid	19-495-034-5120-084	3,248,102.00	7/1/2018	6/30/2019	-	-	3,015,719.61	(3,248,102.00)	-	-	-	-	-	(232,382.39)	3,248,102.00	
Equivalization Aid	19-495-034-5120-078	11,053,783.00	7/1/2018	6/30/2019	-	-	10,262,950.53	(11,053,783.00)	-	-	-	-	-	(790,832.47)	11,053,783.00	
Adjustment Aid	19-495-034-5120-085	7,482,500.00	7/1/2018	6/30/2019	-	-	6,947,171.60	(7,482,500.00)	-	-	-	-	-	(535,328.40)	7,482,500.00	
School Choice Aid	19-495-034-5120-088	248,683.00	7/1/2018	6/30/2019	-	-	230,891.21	(248,683.00)	-	-	-	-	-	(17,791.79)	248,683.00	
Subtotal State Aid - Public							25,674,965.46	(27,653,402.00)						(1,978,436.54)	27,653,402.00	
Categorical Transportation Aid	19-495-034-5120-014	1,390,702.00	7/1/2018	6/30/2019	-	-	1,291,205.54	(1,390,702.00)	-	-	-	-	-	(99,496.46)	1,390,702.00	
On-Behalf-Teachers' Pension	19-495-034-5094-002	11,648,755.00	7/1/2018	6/30/2019	-	-	11,648,755.00	(11,648,755.00)	-	-	-	-	-	-	11,648,755.00	
On-Behalf-Teachers' Pension and Annuity Fund	19-495-034-5094-001	5,283,856.00	7/1/2018	6/30/2019	-	-	5,283,856.00	(5,283,856.00)	-	-	-	-	-	-	5,283,856.00	
On-Behalf-Teachers' Pension & Annuity Fund - Non-contributory Insurance	19-495-034-5094-004	5,515.00	7/1/2018	6/30/2019	-	-	5,515.00	(5,515.00)	-	-	-	-	-	-	5,515.00	
Commercial Valuation Stabilization Aid	N/A	20,000,000.00	7/1/2018	6/30/2019	-	-	20,000,000.00	(20,000,000.00)	-	-	-	-	-	-	20,000,000.00	
Additional Non Public Transportation Aid	N/A	12,180.00	7/1/2018	6/30/2019	-	-	-	(12,180.00)	-	-	(12,180.00)	-	-	(12,180.00)	12,180.00	
Additional Non Public Transportation Aid	N/A	9,570.00	7/1/2017	6/30/2018	(9,570.00)	-	9,570.00	-	-	-	-	-	-	-	9,570.00	
Extraordinary Aid	19-495-034-5120-473	355,923.00	7/1/2018	6/30/2019	-	-	381,714.00	(355,923.00)	-	-	(355,923.00)	-	-	(355,923.00)	355,923.00	
Extraordinary Aid	19-495-034-5120-473	381,714.00	7/1/2017	6/30/2018	(381,714.00)	-	381,714.00	-	-	-	-	-	-	-	381,714.00	
Reimbursed TPAF Social Security Contributions	19-495-034-5095-002	4,681,004.12	7/1/2018	6/30/2019	-	-	4,450,604.60	(4,681,004.12)	-	-	(230,399.52)	-	-	(230,399.52)	4,681,004.12	
Reimbursed TPAF Social Security Contributions	18-495-034-5095-002	4,703,617.89	7/1/2017	6/30/2018	(19,444.09)	-	19,444.09	-	-	-	-	-	-	-	4,703,617.89	
Total General Fund					(410,728.09)	-	65,765,629.69	(71,031,237.12)			(596,402.52)	-	-	(2,676,335.52)	76,126,139.01	
Special Revenue Fund:																
Preschool Education Aid	19-495-034-5120-086	3,629,298.00	7/1/2018	6/30/2019	-	-	3,299,360.00	(3,613,065.44)	-	-	154,992.08	-	-	(329,936.00)	3,613,065.44	
Preschool Education Aid	18-495-034-5120-086	3,299,360.00	7/1/2017	6/30/2018	(138,761.52)	-	(138,761.52)	-	-	-	-	-	-	-	3,299,360.00	
N.J. Nonpublic Aid	19-100-034-5120-070	10,368.62	7/1/2018	6/30/2019	-	-	12,610.00	(10,368.62)	-	-	-	2,241.38	-	-	10,368.62	
Textbook Aid	19-100-034-5120-064	6,942.00	7/1/2018	6/30/2019	-	-	6,942.00	(4,040.30)	-	-	-	2,901.70	-	-	4,040.30	
Textbook Aid	19-100-034-5120-064	7,689.00	7/1/2017	6/30/2018	(77.63)	-	-	-	-	(77.63)	-	-	-	-	7,591.37	
Technical Aid	19-100-034-5120-373	4,680.00	7/1/2018	6/30/2019	-	-	4,680.00	(4,528.62)	-	(0.53)	-	150.85	-	-	4,528.62	
Technical Aid	19-100-034-5120-373	5,180.00	7/1/2017	6/30/2018	(2,477.92)	-	-	-	-	(2,477.92)	-	-	-	-	2,702.08	
Security Aid	19-100-034-5120-509	19,500.00	7/1/2018	6/30/2019	-	-	19,500.00	(14,011.99)	-	-	-	5,488.01	-	-	14,011.99	
Security Aid	18-100-034-5120-509	10,500.00	7/1/2017	6/30/2018	(211.57)	-	-	-	-	(211.57)	-	-	-	-	10,288.43	
Auxiliary Services:																
Compensatory Education	19-100-034-5120-067	40,609.00	7/1/2018	6/30/2019	-	-	40,609.00	(40,459.50)	-	-	149.50	-	-	-	40,459.50	
Compensatory Education	18-100-034-5120-067	44,292.00	7/1/2017	6/30/2018	(7,512.50)	-	-	-	-	(7,512.50)	-	-	-	-	36,779.50	
ESL	19-100-034-5120-067	19,643.00	7/1/2018	6/30/2019	-	-	19,643.00	(12,514.50)	-	-	-	7,328.50	-	-	12,514.50	
Handicapped Services:																
Examination & Classification	19-100-034-5120-066	8,383.00	7/1/2018	6/30/2019	-	-	8,383.00	-	-	-	8,383.00	-	-	-	-	
Examination & Classification	18-100-034-5120-066	7,475.00	7/1/2017	6/30/2018	(6,903.85)	-	-	-	-	(6,903.85)	-	-	-	-	(1,428.85)	
Corrective Speech	19-100-034-5120-066	6,250.00	7/1/2018	6/30/2019	-	-	6,250.00	(6,250.00)	-	-	-	-	-	-	6,250.00	
Corrective Speech	18-100-034-5120-066	6,250.00	7/1/2017	6/30/2018	-	-	-	-	-	-	-	-	-	-	-	
Total Special Revenue Fund					(138,761.52)	-	3,418,177.00	(3,705,238.97)			(19,184.00)	154,992.08	26,642.94	(329,936.00)	7,060,531.50	
Debt Service Fund:																
Debt Service Aid	19-495-034-5120-017	499,210.00	7/1/2018	6/30/2019	-	-	499,210.00	(499,210.00)	-	-	-	-	-	-	499,210.00	
Total Debt Service Fund					-	-	499,210.00	(499,210.00)			-	-	-	-	499,210.00	
State Department of Agriculture:																
Enterprise Fund:																
National School Lunch Program (State Share)	19-100-010-3350-023	50,532.24	7/1/2018	6/30/2019	-	-	41,438.23	(50,532.24)	-	-	(9,094.01)	-	-	(9,094.01)	50,532.24	
National School Lunch Program (State Share)	18-100-010-3350-023	50,225.00	7/1/2017	6/30/2018	(6,607.13)	-	6,607.13	-	-	-	-	-	-	-	50,225.00	
Total Enterprise Fund					(6,607.13)	-	48,045.36	(50,532.24)			(9,094.01)	-	-	(9,094.01)	100,757.24	
Total State Financial Assistance					\$ (278,573.70)	\$ 19,183.47	\$ 72,731,062.05	\$ (75,286,218.33)			\$ (19,184.00)	\$ 154,992.08	\$ 26,642.94	\$ (3,015,365.53)	\$ 83,786,637.75	
Less: On-Behalf TPAF Pension System Contributions and Commercial Valuation Stabilization \$ (36,938,126.00)																
Total for State Financial Assistance-Major Program Determination: \$ (68,345,092.33)																

The accompanying Notes to Schedules of Expenditures of Awards of Financial Assistance are an integral part of this schedule

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE ASSISTANCE
JUNE 30, 2019**

NOTE 1 GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include the activity of all federal and state financial assistance programs of the Board of Education, City of Atlantic City School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state 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 and those in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3 RELATIONSHIPS TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$447,725.00) for the general fund and (\$522,776.46) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP 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:

	Federal	State	Local Grants	TPAF Pension	Total
General Fund	\$ 353,158.08	\$ 70,583,512.12	\$ -	\$ (16,938,126.00)	\$ 53,998,544.20
Special Revenue Fund	11,467,218.68	3,007,518.59	22,000.92	-	14,496,738.19
Debt Service Fund	-	499,210.00	-	-	499,210.00
Food Service Fund	5,568,945.11	50,532.26	-	-	5,619,477.37
	<u>\$ 17,389,321.87</u>	<u>\$ 74,140,772.97</u>	<u>\$ 22,000.92</u>	<u>\$ (16,938,126.00)</u>	<u>\$ 74,613,969.76</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE ASSISTANCE
JUNE 30, 2019**

NOTE 4 RELATIONSHIPS TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. 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, 2019. This amount is included in the State column above.

NOTE 6 ADJUSTMENTS

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2019**

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion** issued on the Basic Financial Statements

Internal control over financial reporting:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Noncompliance material to basic financial Statements noted? None noted

Federal Awards

Internal control over major programs:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Type of auditor's report issued on compliance for major programs: An **Unmodified Opinion** was issued on compliance for major programs

Any audit findings disclosed that are required to be reported In accordance with Uniform Guidance? None noted

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
84.419	Preschool Development Grants

Dollar threshold used to distinguish between type A and type B programs: **\$750,000.00**

Auditee qualified as low-risk auditee? Yes

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2019**

I. SUMMARY OF AUDITORS RESULTS - Continued

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$1,150,443.00
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No
Identification of major programs:	

GMIS Numbers

Name of State Program

State Aid Public Cluster of Programs

495-034-5120-068	School Choice Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2019**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

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