

**SCHOOL DISTRICT
OF**

ATLANTIC CITY

**Auditor's Management Report
For the Fiscal Year Ended June 30, 2019**

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

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REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Atlantic City School District in the County of Atlantic for the year ended June 30, 2019, and have issued our report thereon dated December 6, 2019.

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

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

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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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

Name	Position		Amount
Angie Brown	Board Secretary	\$	75,000.00
Celeste Ricketts	School Business Administrator	\$	225,000.00
Joanne M. Shepherd	Treasurer	\$	600,000.00

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

Tuition Charges

The Board is a receiving district for tuition purposes. A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The board made a proper adjustment to the billings to sending districts for the difference in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld and due to the general fund.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster

Reserve for Encumbrances, Liability for Accounts Payable

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

Travel

The district, when applicable, did obtain prior written approval of the Executive County Superintendent for a travel event that exceeded \$5,000 as required by N.J.A.C. 6A:23A-5.9.

Classification of Expenditures

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

A. *General Classification Findings*
None.

B. *Administrative Classification Findings*
None.

Business Administrator / Board Secretary's Records

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

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

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

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

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

Treasurer's Records

The Board Treasurer's Records were in satisfactory condition.

All required reconciliations were performed.

All cash receipts were promptly deposited.

The Treasurers Records were in agreement with the Board Secretary.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2018-19 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Elementary and Secondary Education Act of 1965 (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

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

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

Other Special Federal and/or State Projects

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

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

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

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

I.D.E.A. Part B

The study of compliance for IDEA revealed no areas of noncompliance and/or questioned costs.

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the school district of Atlantic City to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the NJ Local Agency Procurement Laws webpage: <https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature <http://www.njleg.state.nj.us> website.

The bid Thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000 for 2018-2019.

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

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

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

School Food Service

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

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Student Body Activities

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the district's procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Facilities and Capital Assets

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

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

Follow-Up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of any prior year recommendation. Corrective Action has been taken on the one prior year finding.

Acknowledgment

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

Respectfully submitted,

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

Michael S. Garcia
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No. 2080

December 6, 2019

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SCHEDULE OF MEAL COUNT ACTIVITY
CITY OF ATLANTIC CITY SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Diff.</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
Dinner (Regular Rate)	Paid	-	-	-		\$ -
	Reduced	-	-	-		-
	Free	70,626	70,626	-	3.5450	-
Total		<u>70,626</u>	<u>70,626</u>	<u>-</u>		<u>\$ -</u>
TOTAL NET (OVER)/UNDER CLAIM						<u>\$ -</u>

Note: Only dinner meals were included above since Child Nutrition wasn't audited as a major program in the 18-19 SY. Therefore, only dinner meals were included above since the Child and Adult Care Food Program was audited as a major program in the 18-19 SY.

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NET CASH RESOURCE SCHEDULE

**Net cash resources DID NOT exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2019**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	614,251.97
B-4		Due from Other Gov'ts	-
B-4		Accounts Receivable	1,041,042.66
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	-
B-4		Less Accruals	-
B-4		Less Due to Other Funds	-
B-4		Less Deferred Revenue	-
		Net Cash Resources	<u>1,655,294.63</u> (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	5,603,054.05
B-5		Less Depreciation	<u>(76,041.00)</u>
		Adj. Tot. Oper. Exp.	<u>5,527,013.05</u> (B)

Average Monthly Operating Expense:

B / 10 **552,701.31** (C)

Three times monthly Average:

3 X C **1,658,103.92** (D)

TOTAL IN BOX A	\$	1,655,294.63
LESS TOTAL IN BOX D	\$	<u>1,658,103.92</u>
NET	\$	<u>(2,809.28)</u>
From above:		
A is greater than D, cash exceeds 3 X average monthly operating expenses.		
D is greater than A, cash does not exceed 3 X average monthly operating expenses.		

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

SOURCE - USDA resource management comprehensive review form

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ATLANTIC CITY SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2018

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled								
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Reported on workpapers		Sample for Verification		Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool																					
Full Day Preschool	480		480					22													
Half Day Kindergarten																					
Full Day Kindergarten	471		471					21													
One	545		545					24													
Two	451		451					21													
Three	450		450					21													
Four	441		441					20													
Five	443		443					20													
Six	408		408					19													
Seven	429		429					20													
Eight	392		392					18													
Nine	368		368					17													
Ten	466		466					21													
Eleven	298		298					14													
Twelve	350		350					16													
Post-Graduate																					
Adult H.S. (15+CR.)																					
Adult H.S. (1-14+CR.)																					
Subtotal	5,992		5,992				274														
Special Ed - Elementary	317		317					13													8
Special Ed - Middle School	232		232					11													12
Special Ed - High School	303		303					14													18
Subtotal	852		852				38														38
Co. Voc. - Regular																					
Co. Voc. - FT Post Sec.																					
Totals	6,844		6,844				312														38
Percentage Error																					0.00%

**ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	438.0	438.0	-	23	23	-	177	177	-	42	42	-
One	524.0	524.0	-	28	28	-	187	187	-	45	45	-
Two	429.0	429.0	-	23	23	-	143	143	-	34	34	-
Three	433.0	433.0	-	23	23	-	146	146	-	35	35	-
Four	421.0	421.0	-	22	22	-	95	95	-	23	23	-
Five	424.0	424.0	-	23	23	-	76	76	-	18	18	-
Six	386.0	386.0	-	20	20	-	28	28	-	7	7	-
Seven	418.0	418.0	-	22	22	-	31	31	-	7	7	-
Eight	373.0	373.0	-	20	20	-	37	37	-	9	9	-
Nine	310.0	310.0	-	16	16	-	33	33	-	8	8	-
Ten	399.0	399.0	-	21	21	-	45	45	-	11	11	-
Eleven	232.0	232.0	-	12	12	-	29	29	-	7	7	-
Twelve	283.0	283.0	-	15	15	-	24	24	-	6	6	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	5,070.0	5,070.0	-	268	268	-	1,051	1,051	-	252	252	-
Special Ed - Elementary	301.0	301.0	-	16	16	-	6	6	-	1	1	-
Special Ed - Middle School	227.0	227.0	-	12	12	-	3	3	-	1	1	-
Special Ed - High School	277.0	277.0	-	16	16	-	1	1	-	-	-	-
Subtotal	805.0	805.0	-	44	44	-	10	10	-	2	2	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	5,875.0	5,875.0	-	312	312	-	1,061	1,061	-	254	254	-
Percentage Error	0.00%			0.00%			0.00%			0.00%		

	Transportation		
	Reported on DRTS by DOE/County	Reported on DRTS by District	Verified to Register
Reg. - Public Schools, col. 1	1,389	1,389	218
Reg. - Sp Ed, col. 4	175	175	27
Transported - Non-Public, col. 3	11	11	3
Transported - Non-Public, ALL	42	42	6
Special Ed Special Needs, col. 6	115	115	18
Totals	1,732	1,732	272
Percentage Error	0.00%		

(from dirts)
Reported 8.0
Recalculated 8.0

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

ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	10	10	-	8	8	-
One	10	10	-	8	8	-
Two	10	10	-	8	8	-
Three	1	1	-	1	1	-
Four	5	5	-	4	4	-
Five	2	2	-	2	2	-
Six	3	3	-	2	2	-
Seven	1	1	-	1	1	-
Eight	2	2	-	2	2	-
Nine	6	6	-	5	5	-
Ten	5	5	-	4	4	-
Eleven	2	2	-	2	2	-
Twelve	3	3	-	2	2	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	60	60	-	49	49	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	60	60	-	49	49	-
Percentage Error			0.00%			0.00%

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

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>158,965,133.25</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>-</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>-</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>-</u>	(B1d)
Decreased By:			
On-Behalf TPAF Pension & Social Security	\$	<u>21,619,130.12</u>	(B2a)
Assets Acquired Under Capital Leases		<u>-</u>	(B2b)
Adjusted 2018-19 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u><u>137,346,003.13</u></u>	(B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	\$	<u>2,746,920.06</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>2,746,920.06</u>	(B5)
Increased by: Allowable Adjustment*	\$	<u>368,003.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		<u><u>3,114,923.06</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/19 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>44,009,970.23</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>906,443.06</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>-</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>9,876,566.06</u>	(C3)
Other Restricted Fund Balances ****	\$	<u>14,485,794.00</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>6,638,831.94</u>	(C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2019 - August 1, 2019	\$	<u>-</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u><u>12,102,335.17</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$	<u>8,987,412.11</u>	(E)
---	----	---------------------	-----

Recapitulation of Excess Surplus as of June 30, 2019:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>9,876,566.06</u>	(C3)
Reserved Excess Surplus ***	\$	<u>8,987,412.11</u>	(E)
Total [(C3) + (E)]	\$	<u><u>18,863,978.17</u></u>	(D)

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

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

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sale & Lease-back	\$	-	(I)
Extraordinary Aid	\$	355,823.00	(J1)
Additional Nonpublic School Transportation Aid	\$	12,180.00	(J2)
Current Year School Bus Advertising Revenue Recognized	\$		(J3)
Family Crisis Transportation Aid	\$		(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$	 <u>368,003.00</u>	 (K)

** This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2019 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

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

***** Increase in Assigned Fund Balance-Unreserved-Designated for Subsequent Year's expenditures July 1, 2019 to August 1, 2019 resulting from decrease in state aid after adoption of 2018-19 district June 30, 2018 III-4.34 budget. Refer to the Commissioner's Broadcast of July 13, 2019 at the NJDOE Broadcast webpage <https://homeroom5.doe.state.nj.us/broadcasts/> and to page I-4.2 of this Audit Program.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-	
Capital outlay for a district with a capital outlay cap waiver	\$	-	
Sale/lease-back reserve	\$	-	
Capital reserve	\$	8,265,794.00	
Maintenance reserve	\$	3,002,000.00	
Emergency reserve	\$	1,000,000.00	
Tuition reserve	\$	1,943,000.00	
School Bus Advertising 50% Fuel Offset Reserve – current year	\$	-	
School Bus Advertising 50% Fuel Offset Reserve –prior year	\$	-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$	-	
Other state/government mandated reserve	\$	275,000.00	
[Other Restricted Fund Balance not noted above] ****	\$		
 Total Other Restricted Fund Balance	 \$	 <u>14,485,794.00</u>	 (C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2019
ATLANTIC CITY SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures
None.
2. Financial Planning, Accounting and Reporting
None.
3. School Purchasing Programs
None.
4. School Food Service
None.
5. Student Body Activities
None.
6. Application for State School Aid
None.
7. Pupil Transportation
None.
8. Facilities and Capital Assets
None.
9. Miscellaneous
None.
10. Status of Prior Year Audit Findings/Recommendations
None.

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