

Board of Education  
OF  
**ATLANTIC COUNTY**  
**SPECIAL SERVICES**  
**SCHOOL DISTRICT**  
(a component unit of the County of Atlantic)

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

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020



# TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>		Page
	Letter of Transmittal	1-5
	Organizational Chart	6
	Roster of Officials	7
	Consultants and Advisors	8-9
<b>FINANCIAL SECTION</b>		
	<b>Independent Auditor's Report</b>	10-12
	<b>Required Supplementary Information - Part I</b>	
	Management's Discussion and Analysis	13-23
	<b>Basic Financial Statements</b>	
A	District-wide Financial Statements:	
	A-1 Statement of Net Position	24
	A-2 Statement of Activities	25
B	Fund Financial Statements	
	Governmental Funds:	
	B-1 Balance Sheet	26
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	27
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
	Proprietary Funds:	
	B-4 Statement of Net Position	29
	B-5 Statement of Revenues, Expenses, and Changes in Net Assets	30
	B-6 Statement of Cash Flows	31
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Assets	32
	B-8 Statement of Changes in Fiduciary Net Assets	33
	<b>Notes to the Financial Statements</b>	34-68
	<b>Required Supplemental Information - Part II</b>	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	69-76
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
	C-1b Community Development Block Grant - Budget to Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	77-78

## TABLE OF CONTENTS (continued)

Notes to the Required Supplementary Information	Page
C-3 Budget-to-GAAP Reconciliation	79
 <b>Required Supplementary Information - Part III</b>	
L Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	80
L-2 Schedule of District Contributions	81
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	82
M Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability - PERS & TPAF	83
 <b>Other Supplementary Information</b>	
D School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	84
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance	N/A
F-2a Schedules of Project Revenue and Expenditures	N/A
G Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A

## TABLE OF CONTENTS (continued)

		Page
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	85
	H-2 Combining Statement of Changes in Fiduciary Net Position	86
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	87
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	88
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
<b>STATISTICAL SECTION (Unaudited)</b>		
<b>Introduction to the Statistical Section</b>		
<b>Financial Trends</b>		
	J-1 Net Assets by Component	89
	J-2 Changes in Net Assets/Net Position	90-91
	J-3 Fund Balances - Governmental Funds	92
	J-4 Changes in Fund Balances - Governmental Funds	93
	J-5 General Fund Other Local Revenue by Source	94
<b>Revenue Capacity</b>		
	J-6 Assess Value and Estimated Actual Value of Taxable Property	N/A
	J-7 Direct and Overlapping Property Tax Rates	N/A
	J-8 Principal Property Taxpayers	N/A
	J-9 Property Tax Levies and Collections	N/A
<b>Debt Capacity</b>		
	J-10 Ratios of Outstanding Debt by Type	N/A
	J-11 Ratios of General Bonded Debt Outstanding	N/A
	J-12 Direct and Overlapping Governmental Activities Debt	N/A
	J-13 Legal Debt Margin Information	N/A
<b>Demographic and Economic Information</b>		
	J-14 Demographic and Economic Statistics	N/A
	J-15 Principal Employers	N/A
<b>Operating Information</b>		
	J-16 Full-time Equivalent District Employees by Function/Program	95
	J-17 Operating Statistics	96
	J-18 School Building Information	97
	J-19 Schedule of Required Maintenance Expenditures by School Facility	98
	J-20 Insurance Schedule	99

## TABLE OF CONTENTS (continued)

SINGLE AUDIT SECTION		Page
K-1	Report on Internal Controls over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards	100-101
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and New Jersey OMB Circular Letter 15-08	102-104
K-3	Schedule of Expenditures of Federal Awards,	105
K-4	Schedule of Expenditures of State Financial Assistance,	106
K-5	Notes to the Schedules of Awards and Financial Assistance	107-109
K-6	Schedule of Findings and Question Costs	
	Part 1 - Summary of Auditor's Results	110-111
	Part 2 - Schedule of Financial Statement Findings	112
	Part 3 - Schedule of State Award Findings and Questioned Costs	112
K-7	Summary Schedule of Prior Audit Findings	112

## **Introductory Section**

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# ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

## “PLANTING THE SEEDS FOR SUCCESS”

Philip J. Guenther, Ed.D., Superintendent  
Kerri McGinley, Ed.D., Assistant Superintendent  
(609) 625-5796 Fax (609) 625- 8124

Lisa Mooney, School Business Administrator  
(609) 625-5687 Fax 609-625-0496

December 22, 2020

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

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

The comprehensive annual financial report of the Atlantic County Special Services School District (District) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements, required supplemental information, and other supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, U.S. OMB Uniform Guidance, and State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

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

In addition to a wide range of on-site and off-campus programs for enrolled students, the Board of Education provides itinerant shared services including occupational therapy, physical therapy, speech/language therapy, counseling, behavioral consultation, nursing services, homebound instruction, and child study team evaluation/services to students in Local Educational Agencies. The educational services which had been provided to youth housed at the Harborfields juvenile detention facility concluded at the end of the Extended School Year in August 2020.

**2) ECONOMIC CONDITION AND OUTLOOK:** The district's enrollment in 2019-2020 grew throughout the year to the level projected in the budget. This year's enrollment began at the budgeted amount but has since decreased. The COVID-19 pandemic has created economic uncertainty with respect to enrollment and funding of unanticipated expenditures for sanitizing, cleaning and PPE supplies. Atlantic County Special Services opened school in September with a majority of students opting for in-person instruction. Being able to open school with a regular full time schedule has made a difference in retaining existing students, however the district is seeing fewer new student referrals from the sending districts. The district has taken measures to set aside funds to offset unanticipated operating costs due to pandemic related expenses. The economic environment in New Jersey continues to have a major impact on the state's educational system. Sending districts had their state aid revenue reduced for the 2020-2021 school year due to the State of New Jersey's budget crisis. Although our district does not directly receive state aid or stimulus funds, the cuts to sending districts have had an impact on our budget planning, particularly in light of decreased student enrollment. We will continue to closely monitor actual student enrollment numbers, modify spending as needed, and gather data in order to effectively and realistically project tuition revenues for the 2021-2022 budget.

The casino industry in Atlantic City was completely shut down in March 2020 and only recently reopened with limited capacity. Prior to the shutdown, the industry had experienced a recovery with the opening of two major casinos. The new Ocean Beach Resort, previously Revel, and Hard Rock Casino, previously Trump Taj Mahal, reopened in June 2018 returning over 3,000 jobs to the region. The first phase of the Gateway Project in Atlantic City was completed in the spring of 2018. The Gateway Project includes a Stockton University satellite campus and dorms and the corporate offices of South Jersey Energy. Phase 2 of the Gateway Project will begin in the spring of 2021 and include additions to the Stockton University Campus. The \$22.4 million dollar Stockton

Aviation Research Park project constructed on a 58 acre park adjacent to the FAA Williams Hughes Technical Center has been completed. This project is a major step in diversifying the region's economy and places Atlantic County in a position to leverage the economic possibilities of the aviation industry.

**3) MAJOR INITIATIVES:** We continue to work to ensure that we maintain high quality special education programs while maximizing efficiency. The biggest impact this year has been the increase in technology due to the forced closure and expansion of remote learning opportunities due to the global pandemic. All teachers and students have access to a laptop computer or tablet to ensure continuity of instruction regardless of health concerns or the shift to virtual learning. Several of our classes are also using on-line platforms for the purpose of working at an individualized pace and to provide additional assessments. This blended learning allows students to participate in person and remotely. We have also utilized technology to communicate with sending districts and families, conducting many IEP meetings remotely in an effort to minimize exposure for our students.

We have expanded the role of student workers on our campus since opportunities to work off-site have been restrictive this year. We also have student workers under the direction of a job coach and mentor working at our county partner campus, the Atlantic County Institute of Technology (ACIT.) Many of the students support the enhanced cleaning protocols that we implemented this year to protect all students and staff.

We have limited student movement in the building. Students have both breakfast and lunch in the classroom and teachers and therapists come to students for instruction and support. Arrival and dismissal is also coordinated to prevent large clusters of students congregating. We have also been mindful of supporting students during this stressful time, we are sensitive to the anxiety that comes with some of the restrictions currently in place.

Our evaluation schedule continues as we work to support and provide feedback to our staff and align our professional development to meet their needs. All mandated trainings are provided to staff during professional development days. We have continued to use an agency to provide aides, both personal aides and classroom aides to supplement our staffing and support student needs. All staff members, teachers, aides, therapists, child study team members, administrators, support staff secretarial staff, and the facility team have all adjusted to the new requirements regarding distancing, masks and other safety precautions. We are proud that we have been able to open full-time, since September and hope to remain open everyday to support our unique learners in the best possible way.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control

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

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

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

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

**7) DEBT ADMINISTRATION:** In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1(E) 1 and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New

Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(F), Notes to the Financial Statements.

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

**10) OTHER INFORMATION:**

**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of the Ford, Scott & Associates, L,L,C. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, OMB Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

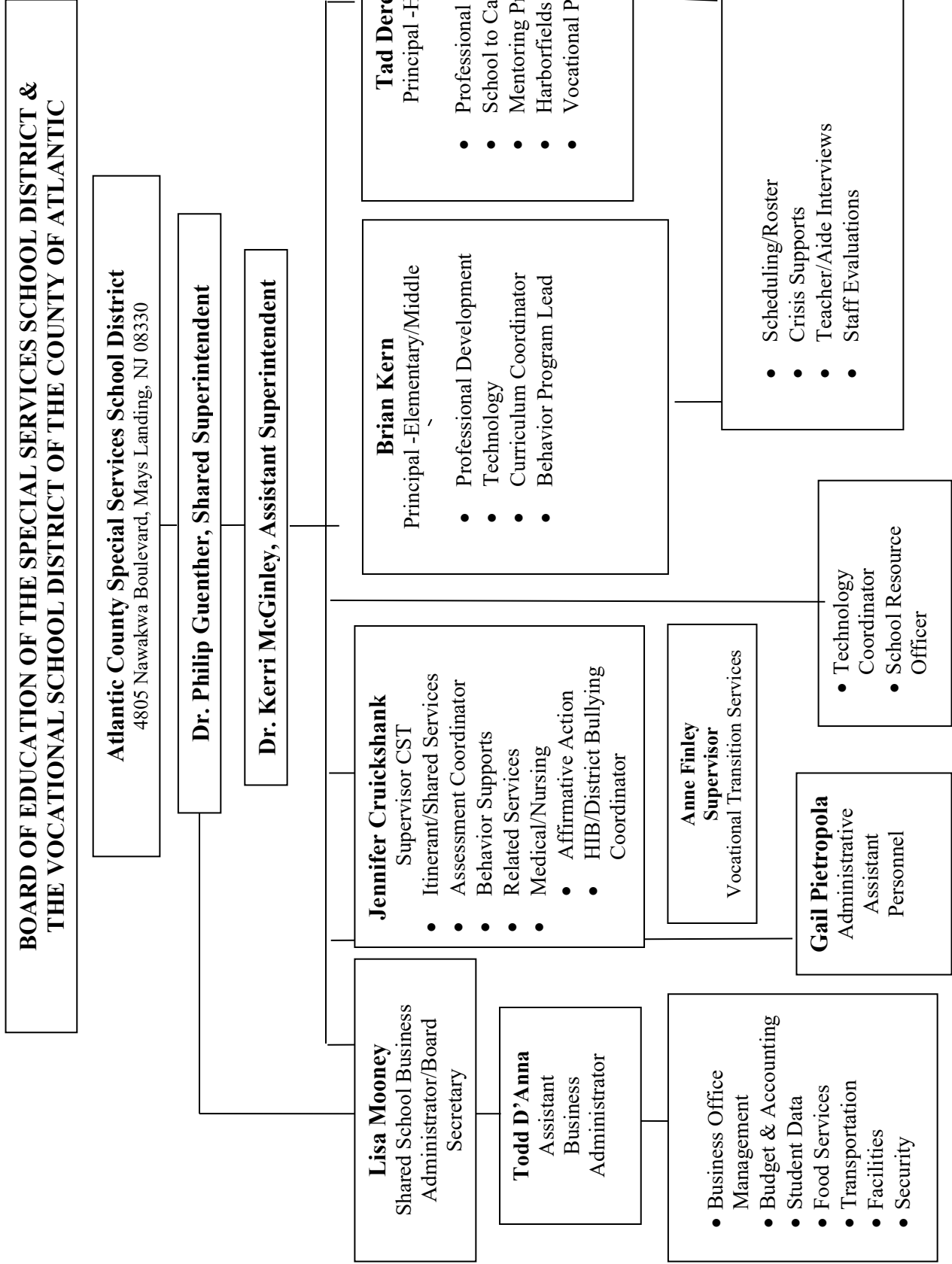
*Philip J. Guenther*

Philip J. Guenther, Ed.D.  
Superintendent

*Lisa Mooney*

Lisa Mooney, CPA  
Business Administrator/  
Board Secretary

**ORGANIZATIONAL CHART 2019/2020**  
 Effective July 1, 2019



**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**MAYS LANDING, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2020

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Philip S. Munafo, President (through October 2020)	2023
Augustus Harmon, Vice President	2022
Marilyn Gallagher	2022
Dr. Norman Hirschfeld (through May 2020)	2021
Mark W. Ludwick	2023
Roy Foster	2021
Pat Marshall (effective October 2020)	2023
Richard Sless (effective June 2020)	2023
Robert Bumpus, Interim Executive Regional Superintendent	Ex-officio
Kathleen Quish	Ex-officio
<b><u>Other Officials</u></b>	
Philip J. Guenther, Ed. D., Superintendent	
Kerri McGinley, Ed. D., Assistant Superintendent	
Lisa Mooney, CPA, Board Secretary/Business Administrator	

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
Consultants and Advisors**

**Architect of Record**

Larry Merighi  
Manders, Merighi, Portadin, Farrell Architects, LLC  
1138 E. Chestnut Avenue  
Vineland, NJ 08360

**Attorneys**

Nehmad, Perillo & Davis  
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Egg Harbor Township, NJ 08234

John Hegarty  
Jasinski, P.C.  
707 White Horse Pike  
Absecon, NJ 08201

Louis J. Greco, Esq.  
800 Route 50, Suite 2B  
Mays Landing, NJ 08330

**Audit Firm**

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

**Official Depository**

OceanFirst Bank  
5401 Harding Highway  
Mays Landing, NJ 08330



### **Insurance Agent**

Innovative Risk Solutions, Inc.  
3330 Bargaintown Road, Suite 2  
Egg Harbor Township, NJ 08234

Jeffery Dunn  
Glenn Insurance  
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Absecon, NJ 08201

David Miller  
CJ Adams Company  
332 Tilton Rd.  
Northfield, NJ 08225

### **School Physicians**

George Bross, DO  
Harborview-Kids First  
505 Bay Avenue  
Somers Point, NJ 08244

Chester E. Sigafos, Ph.D.  
P.O. Box 246  
New Egypt, NJ 08533

Barry D. Glasser, M.D.  
Brigantine Towne Center  
4248 Harbor Beach Blvd.  
Brigantine, NJ 08203

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## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Atlantic County Special Services School District  
(a component unit of the County of Atlantic)  
County of Atlantic  
Mays Landing, 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 Atlantic County Special Services School District (a component unit of the County of Atlantic), in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2020, 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 Atlantic County Special Services School District (a component unit of the County of Atlantic), as of June 30, 2020, 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements. The introductory section, combining and individual non-major fund financial statements, 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), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, 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), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 22, 2020 on our consideration of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over financial reporting and compliance.

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

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

December 22, 2020

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**Required Supplemental Information**  
**Part I**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Atlantic County Special Services School District's (a component unit of the County of Atlantic) ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased approximately \$2,400,000 due to an increase in enrollment and changes in proportion of pension liabilities.
- The State of New Jersey reimbursed the District \$497,472 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$2,111,497 for TPAF Pension Contributions on-behalf of the district and post-retirement benefits provided to former district employees. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- During the fiscal year ended June 30, 2020, the District's governmental activities revenues were approximately \$1,809,000 more than total expenses. During the prior fiscal year, expenditures exceeded revenues by approximately \$767,000.
- In the District's business-type activities, net position increased \$578,000 as a result of an excess of revenues over expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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

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

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**Major Features of Atlantic County Special Services School District's (a  
component unit of the County of Atlantic)  
Government-wide and Fund Financial Statements  
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and construction enterprise	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
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### Government-wide Statements

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

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

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

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

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

transportation enterprise fund, and Teachers Aide enterprise fund are included here.

## **Fund Financial Statements**

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

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

**Net position.** The District's governmental activities net position increased between fiscal years 2020 and 2019 as a result of an excess of revenues over expenses. The business-type activities net position increased due to the excess of revenues over expenses.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 5,649,479	5,064,377	4,292,947	3,781,869
Capital assets	18,303,791	19,081,151	1,248,522	1,213,518
<b>Total assets</b>	<b>23,953,270</b>	<b>24,145,528</b>	<b>5,541,469</b>	<b>4,995,387</b>
Deferred Outflows of Resources	1,676,379	3,187,035		
<b>Total deferred outflows of resources</b>	<b>1,676,379</b>	<b>3,187,035</b>	<b>-</b>	<b>-</b>
Long-term liabilities	14,143,333	16,977,093	170,303	204,276
Other liabilities	31,617	75,056	8,788	6,863
<b>Total liabilities</b>	<b>14,174,950</b>	<b>17,052,149</b>	<b>179,091</b>	<b>211,139</b>
Deferred Inflows of Resources	10,159,163	10,793,757		
<b>Total deferred inflows of resources</b>	<b>10,159,163</b>	<b>10,793,757</b>	<b>-</b>	<b>-</b>
Net position				
Invested in capital assets	18,303,791	19,081,151	1,248,522	1,213,518
Restricted	1,194,898	1,036,574		
Unrestricted	(18,203,153)	(20,631,068)	4,113,856	3,570,730
<b>Total net position</b>	<b>\$ 1,295,536</b>	<b>(513,343)</b>	<b>5,362,378</b>	<b>4,784,248</b>

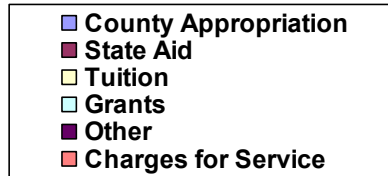
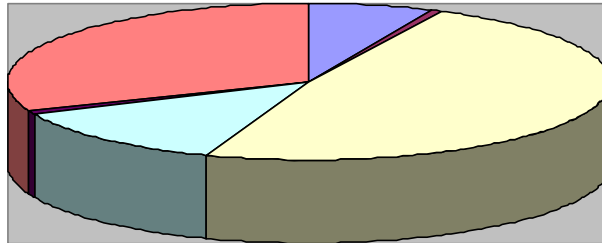
**Changes in net position.** The total revenue of the District decreased approximately \$1,647,000 due to changes in the assumptions related to the State funding of pension plans.

Approximately 48% of the District's revenue comes from tuition contracts with various districts within Atlantic County and the surrounding Counties. The County of Atlantic levies property taxes on properties located in the county. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.



	2020		2019	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 2,070,597	6.68%	\$ 2,050,096	6.28%
Unrestricted State aid	187,186	0.60%	213,882	0.66%
Tuition	14,961,744	48.26%	13,329,154	40.82%
Charges for Services	9,645,263	31.11%	10,608,734	32.49%
Operating Grants and Contributions	3,897,092	12.57%	6,205,187	19.01%
Other	240,407	0.78%	243,179	0.74%
<b>Totals</b>	<b>\$ 31,002,289</b>	<b>100.00%</b>	<b>\$ 32,650,232</b>	<b>100.00%</b>

### 2020 Revenue



## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2019 and 2019 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
Program revenue						
Charges for services	14,961,744	13,329,154	9,645,263	10,608,734	24,607,007	23,937,888
Operating Grants	3,763,082	6,026,617	134,010	178,570	3,897,092	6,205,187
General revenues						
County Appropriation	2,070,597	2,050,096			2,070,597	2,050,096
State aid entitlements	187,186	213,882			187,186	213,882
Other	251,195	255,431	(10,788)		240,407	255,431
<b>Total revenues</b>	<u>21,233,804</u>	<u>21,875,180</u>	<u>9,768,485</u>	<u>10,787,304</u>	<u>31,002,289</u>	<u>32,662,484</u>
<b>Expenses</b>						
Instruction:						
Other special instruction	9,535,986	11,186,765	-	-	9,535,986	11,186,765
Other instruction	634,180	716,677	-	-	634,180	716,677
Support services:						
Student & instruction related services	3,817,777	4,638,765	-	-	3,817,777	4,638,765
District administration services	616,266	866,764	-	-	616,266	866,764
General & business admin services	1,710,011	2,145,912	-	-	1,710,011	2,145,912
Plant operations & maintenance	2,779,580	3,029,622	-	-	2,779,580	3,029,622
Pupil transportation	24,186	52,037	-	-	24,186	52,037
Capital Outlay	116,939	5,451	-	-	116,939	5,451
Business-type activities			9,380,355	10,338,131	9,380,355	10,338,131
<b>Total expenses</b>	<u>19,234,925</u>	<u>22,641,993</u>	<u>9,380,355</u>	<u>10,338,131</u>	<u>28,615,280</u>	<u>32,980,124</u>
(Deficiency) before Transfers	1,998,879	(766,813)	388,130	449,173	2,387,009	(317,640)
Transfers	(190,000)	-	190,000	-	-	-
<b>Increase/(Decrease) in net position</b>	<u>1,808,879</u>	<u>(766,813)</u>	<u>578,130</u>	<u>449,173</u>	<u>2,387,009</u>	<u>(317,640)</u>

## **Business-type Activities**

Revenues of the District's business-type activities decreased approximately 8% when compared to the previous fiscal year while expenditures decreased 9% over the past fiscal year.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As of the year end, the governmental funds reported a combined fund balance of \$5,617,862 which is \$6628,541 higher than the beginning of the year. The change is due to increase in enrollment and unbudgeted Extended School Year revenue.

### **General Fund Budgetary Highlights**

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budgeted revenues by \$822,745. This is a result of an increase in student population and unbudgeted Extended School Year revenue. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$2,191,372. The most significant variances occurred in the area of health benefits. Audit exhibit C-1 does not include current year depreciation expense.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2020, the District had invested \$19.6 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$742,356 or 4%, over last year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 636,272	636,272	73,500	73,500	709,772	709,772
Buildings and Improvement:	16,570,015	17,310,591	328,731	348,379	16,898,746	17,658,970
Machinery and Equipment	1,097,504	1,134,288	846,291	791,639	1,943,795	1,925,927
<b>Total</b>	<u>\$ 18,303,791</u>	<u>19,081,151</u>	<u>1,248,522</u>	<u>1,213,518</u>	<u>19,552,313</u>	<u>20,294,669</u>

### Long-term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The district's enrollment declined in the 2020-2021 school year. However, measures were taken when compiling the 2020-2021 budget to better project enrollment to prevent revenue deficits. The district's enrollment is currently slightly below the budgeted enrollment. Although our district does not receive state aid directly, reductions in aid to the sending districts impacts our budgetary planning, particularly in light of declining enrollment. Certified tuition rates are beginning to increase but are still below the actual tuition rates charged in 2020-2021 budget. We continue to closely monitor actual enrollment numbers and make modifications to spending as needed. Due to the 2019-2020 revenue surplus and increased enrollment, the district's fund balance position has increased which will impact the budgeting strategies for the 2021-2022 budget.

## EFFECTS OF COVID-19 ON THE DISTRICT'S FINANCIAL POSITION

The COVID-19 pandemic has created economic uncertainty with respect to enrollment and funding of unanticipated expenditures for sanitizing, cleaning and PPE supplies. Atlantic County Special Services opened school in September with a majority of students opting for in-person instruction. Being able to open school with a regular full time schedule made a difference in retaining existing students,

however as of December 14, 2020 the district has returned to all remote instruction. The district is also seeing fewer new student referrals from the sending districts. The district has taken measures to set aside funds to offset unanticipated operating costs due to pandemic related expenses.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to present users (residents, sending districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 4805 Nawakwa Boulevard, Mays Landing, New Jersey 08330.

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**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Net Position**  
**6/30/2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,392,894	1,592,972	6,985,866
Receivables, net	178,632	2,744,803	2,923,435
Inventory		23,949	23,949
Due from Fiduciary Funds	9,176		9,176
Internal Balances	68,777	(68,777)	-
Capital assets not being depreciated:			
Land	636,272	73,500	709,772
Capital assets, net of accumulated depreciation	17,667,519	1,175,022	18,842,541
Total Assets	<u>23,953,270</u>	<u>5,541,469</u>	<u>29,494,739</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	1,676,379		1,676,379
Total Deferred Outflows of Resources	<u>1,676,379</u>	<u>-</u>	<u>1,676,379</u>
<b>LIABILITIES</b>			
Other payables	27,021	8,788	35,809
Intergovernmental payable	4,596		4,596
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	229,018	170,303	399,321
Net Pension Liability	13,914,315		13,914,315
Total liabilities	<u>14,174,950</u>	<u>179,091</u>	<u>14,354,041</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	10,159,163		10,159,163
Total Deferred Inflows of Resources	<u>10,159,163</u>	<u>-</u>	<u>10,159,163</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	18,303,791	1,248,522	19,552,313
Restricted for:			
Other purposes	1,194,898		1,194,898
Unrestricted	(18,203,153)	4,113,856	(14,089,297)
Total net position	<u>\$ 1,295,536</u>	<u>5,362,378</u>	<u>6,657,914</u>

Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Other special instruction	6,067,248	3,468,738	14,961,744	1,897,543	7,323,301			7,323,301
Other instruction	403,495	230,685		123,470	(510,710)			(510,710)
Support services:								
Student & instruction related services	2,429,051	1,388,726		743,291	(3,074,486)			(3,074,486)
School administrative services	392,098	224,168		119,983	(496,283)			(496,283)
General and business administrative services	1,087,990	622,021		332,926	(1,377,085)			(1,377,085)
Plant operations and maintenance	1,768,501	1,011,079		541,162	(2,238,418)			(2,238,418)
Pupil transportation	15,389	8,797		4,707	(19,479)			(19,479)
Unallocated benefits	6,954,214	(6,954,214)						
Capital Outlay	116,939				(116,939)			(116,939)
Total governmental activities	19,234,925	-	14,961,744	3,763,082	(510,099)			(510,099)
Business-type activities:								
Food Service	438,497		127,786	134,010		(176,701)		(176,701)
Transportation	4,881,204		4,752,423			(128,781)		(128,781)
Instruction	4,060,654		4,765,054			704,400		704,400
Total business-type activities	9,380,355		9,645,263	134,010		398,918		398,918
Total primary government	\$ 28,615,280		24,607,007	3,897,092	(510,099)	398,918		(111,181)
General revenues:								
Taxes:								
County Appropriation					2,070,597			2,070,597
Federal and State aid not restricted					187,186			187,186
Other restricted miscellaneous revenue					300			300
County Bond Proceeds								
Rents and Royalties								
Miscellaneous Income					135,467			135,467
Transfers					110,475			110,475
Cancellation of student balances					(190,000)	190,000		
Gain on Disposal of Fixed Assets						(10,788)		(10,788)
Cancellation of Prior Year Payables					4,354			4,354
					599			599
Total general revenues, special items, extraordinary items and transfers					2,318,978	179,212		2,498,190
Change in Net Position					1,808,879	578,130		2,387,009
Net Position—beginning					(513,343)	4,784,248		4,270,905
Net Position—ending					1,295,536	5,362,378		6,657,914

**FUND FINANCIAL STATEMENTS**

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

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,388,298	4,596	5,392,894
Due from other funds	83,496		83,496
Receivables from other governments	178,632	-	178,632
Total assets	<u>5,650,426</u>	<u>4,596</u>	<u>5,655,022</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	26,471	-	26,471
Intergovernmental payable	-	4,596	4,596
Other Liabilities	550		550
Due to other funds	5,543		5,543
Total liabilities	<u>32,564</u>	<u>4,596</u>	<u>37,160</u>
Fund Balances:			
Committed to:			
Capital Reserve	1,040,468		1,040,468
Maintenance Reserve	655,971		655,971
Designated for subsequent years expenditures	1,223,241		1,223,241
Assigned to:			
Encumbrances	154,430		154,430
Unassigned:			
General fund	2,543,752		2,543,752
Capital Projects fund			-
Total Fund balances	<u>5,617,862</u>	<u>-</u>	<u>5,617,862</u>
Total liabilities and fund balances	<u>\$ 5,650,426</u>	<u>4,596</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 18,303,791

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds. (22,397,099)

Some liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (229,018)

Net position of governmental activities \$ 1,295,536

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
County Appropriation	\$ 2,070,597		2,070,597
Tuition - from LEAs	14,210,684		14,210,684
Other tuition	539,000		539,000
Non resident fees	212,060		212,060
Rents and Royalties	135,467		135,467
Sale of Property	-		
Other restricted miscellaneous revenue	300		300
Miscellaneous	110,475	40,962	151,437
State sources	2,608,969		2,608,969
Federal sources	187,186	-	187,186
Total revenues	<u>20,074,738</u>	<u>40,962</u>	<u>20,115,700</u>
<b>EXPENDITURES</b>			
Current:			
Other special instruction	6,024,603	18,977	6,043,580
Other instruction	401,922		401,922
Support services and undistributed costs:			
Student & instruction related services	2,419,576	-	2,419,576
School administrative services	390,568		390,568
Other administrative services	366,180		366,180
Central Services	552,749		552,749
Admin Information Technology	164,817		164,817
Plant operations and maintenance	1,761,603		1,761,603
Pupil transportation	15,328		15,328
Unallocated Benefits	6,954,214		6,954,214
Capital outlay	205,236	21,985	227,221
Total expenditures	<u>19,256,796</u>	<u>40,962</u>	<u>19,297,758</u>
Excess (Deficiency) of revenues over expenditures	<u>817,942</u>	<u>-</u>	<u>817,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Cancellation of Prior Year Payables	599		599
Increase in Capital Reserve	230,559		230,559
Transfer to Capital Reserve	(230,559)		(230,559)
Increase in Maintenance Reserve	103,400		103,400
Transfer to Maintenance Reserve	(103,400)		(103,400)
Transfers out	(190,000)		(190,000)
Total other financing sources and uses	<u>(189,401)</u>		<u>(189,401)</u>
Net change in fund balances	628,541	-	628,541
Fund balance—July 1	4,989,321	-	4,989,321
Fund balance—June 30	<u>\$ 5,617,862</u>	<u>-</u>	<u>5,617,862</u>

See Accompanying Notes to the Financial Statements

**Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2020**

**Total net change in fund balances - governmental funds (from B-2)** \$ 628,541

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeded capital outlays in the period.

Gain on the disposal of assets	4,354	
Depreciation expense	(891,996)	
Capital outlays	<u>110,282</u>	(777,360)

In the statement of activities, certain operating expenses, e.g. pension expense are measured under full accrual accounting. In the governmental funds, however, expenditures are reported on the amounts actually billed by the State.

District pension contributions - PERS	1,130,192	
Cost of benefits earned net of employee contributions	<u>751,147</u>	1,881,339

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

76,359

<b>Change in net assets of governmental activities</b>	<u><u>\$ 1,808,879</u></u>
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**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>					
	<b>Food Service</b>	<b>Transportation</b>	<b>Itinerant/ Shared Services</b>	<b>County Programs</b>	<b>Non-Major Funds</b>	<b>Totals</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 41,112	332,649	1,129,597	89,614	-	1,592,972
Accounts receivable						
Other	791	1,750,972	887,916	105,124	-	2,744,803
Interfund Receivable			5,124			5,124
Inventory	23,949					23,949
Total current assets	65,852	2,083,621	2,022,637	194,738	-	4,366,848
Noncurrent assets:						
Land and Improvements		73,500				73,500
Buildings and Improvements		575,080				575,080
Furniture, machinery & equipment	302,424	3,432,995				3,735,419
Less accumulated depreciation	(256,238)	(2,879,239)				(3,135,477)
Total noncurrent assets	46,186	1,202,336	-	-	-	1,248,522
Total assets	112,038	3,285,957	2,022,637	194,738	-	5,615,370
<b>LIABILITIES</b>						
Current liabilities:						
Accounts Payable	-	4,406	-	-	-	4,406
Interfund payable	20,000	-		53,901	-	73,901
Other Current Liabilities	4,382					4,382
Total current liabilities	24,382	4,406	-	53,901	-	82,689
Noncurrent Liabilities						
Compensated Absences	-	170,303				170,303
Total noncurrent liabilities	-	170,303	-	-	-	170,303
Total liabilities	24,382	174,709	-	53,901	-	252,992
<b>NET POSITION</b>						
Invested in capital assets net of related debt	46,186	1,202,336				1,248,522
Unrestricted	41,470	1,908,912	2,022,637	140,837	-	4,113,856
Total net position	\$ 87,656	3,111,248	2,022,637	140,837	-	5,362,378



**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-type Activities - Enterprise Fund					Totals
	Food Service	Transportation	Itinerant/ Shared Services	County Programs	Non-Major Funds	
Operating revenues:						
Charges for services:						
Daily sales - reimbursable programs	\$ 13,998					13,998
Daily sales - non-reimbursable programs	113,788					113,788
Transportation Fees		4,752,423				4,752,423
Fees for Service			4,134,419		-	4,134,419
County Aid Payments				630,635	-	630,635
Total operating revenues	<u>127,786</u>	<u>4,752,423</u>	<u>4,134,419</u>	<u>630,635</u>	<u>-</u>	<u>9,645,263</u>
Operating expenses:						
Cost of sales - Reimbursable Programs	74,643					74,643
Cost of sales - Nonreimbursable Programs	63,786					63,786
Salaries and wages	158,086	1,411,621	1,346,433	468,810	-	3,384,950
Employee Benefits	104,103	1,842,873	1,172,627	83,562	-	3,203,165
Other Purchased Services	29,369	22,671	922,170	3,500		977,710
Transportation Operations		406,982				406,982
Contracted Services		1,060,942				1,060,942
Travel				43,545	-	43,545
Materials and supplies	4,870	1,056	8,412	11,595	-	25,933
Depreciation	3,640	135,059				138,699
Total Operating Expenses	<u>438,497</u>	<u>4,881,204</u>	<u>3,449,642</u>	<u>611,012</u>	<u>-</u>	<u>9,380,355</u>
Operating income/(loss)	<u>(310,711)</u>	<u>(128,781)</u>	<u>684,777</u>	<u>19,623</u>	<u>-</u>	<u>264,908</u>
Nonoperating revenues/(expenses):						
State sources:						
State school lunch program	1,406					1,406
Federal sources:						
National school breakfast program	40,215					40,215
National school lunch program	73,714					73,714
Food Distribution Program	18,675					18,675
Cancellation of student balances	(10,788)					(10,788)
Total nonoperating revenues/(expenses)	<u>123,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,222</u>
Income/(Loss) before contributions & transfers	<u>(187,489)</u>	<u>(128,781)</u>	<u>684,777</u>	<u>19,623</u>	<u>-</u>	<u>388,130</u>
Transfers in						
Operating transfer in - general fund	190,000					190,000
Total transfers in	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>
Change in net position	2,511	(128,781)	684,777	19,623	-	578,130
Total net position—beginning	85,145	3,240,029	1,337,860	121,214	-	4,784,248
Total net position—ending	<u>\$ 87,656</u>	<u>3,111,248</u>	<u>2,022,637</u>	<u>140,837</u>	<u>-</u>	<u>5,362,378</u>

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

**Business-type Activities -**  
**Enterprise Funds**

	Food Service	Transportation	Itinerant/ Shared Services	County Programs	Non-Major Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 133,125	4,446,298	3,980,932	609,056	-	9,169,411
Payments to employees	(158,086)	(1,445,594)	(1,346,433)	(468,810)	-	(3,418,923)
Payments for benefits	(104,103)	(1,842,873)	(1,172,627)	(83,562)	-	(3,203,165)
Payments for suppliers	(153,205)	(1,489,448)	(930,582)	(58,640)	-	(2,631,875)
Net cash provided by/(used for) operating activities	<u>(282,269)</u>	<u>(331,617)</u>	<u>531,290</u>	<u>(1,956)</u>	<u>-</u>	<u>(84,552)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
State Sources	1,564					1,564
Federal Sources	126,015					126,015
Operating subsidies and transfers to other funds	190,000		(5,124)	-	-	184,876
Net cash provided by/(used for) non-capital financing activities	<u>317,579</u>	<u>-</u>	<u>(5,124)</u>	<u>-</u>	<u>-</u>	<u>312,455</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of Assets		(173,703)				(173,703)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(173,703)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,703)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends						-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	35,310	(505,320)	526,166	(1,956)	-	54,200
Balances—beginning of year	5,802	837,969	603,431	91,570	-	1,538,772
Balances—end of year	<u>41,112</u>	<u>332,649</u>	<u>1,129,597</u>	<u>89,614</u>	<u>-</u>	<u>1,592,972</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating profit/(loss)	(310,711)	(128,781)	684,777	19,623	-	264,908
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities						
Depreciation and net amortization	3,640	135,059				138,699
Federal Commodities	18,675					18,675
(Increase)/Decrease in accounts receivable, net	5,339	(306,125)	(153,487)	(21,579)	-	(475,852)
Increase/(Decrease) in accounts payable	-	2,203	-	-	-	2,203
(Increase)/Decrease in Inventory	1,066					1,066
Increase/(Decrease) in Other Liabilities	(278)	-	-			(278)
Increase/(Decrease) in Compensated Absences	-	(33,973)				(33,973)
Total adjustments	<u>28,442</u>	<u>(202,836)</u>	<u>(153,487)</u>	<u>(21,579)</u>	<u>-</u>	<u>(349,460)</u>
Net cash provided by/(used for) operating activities	<u>\$ (282,269)</u>	<u>(331,617)</u>	<u>531,290</u>	<u>(1,956)</u>	<u>-</u>	<u>(84,552)</u>

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 148,893	222,179	371,072
Due from the State of New Jersey	2,756		2,756
Due from Unemployment Compensation Trust		935	935
Total assets	<u>151,649</u>	<u>223,114</u>	<u>374,763</u>
<b>LIABILITIES</b>			
Due to the State of New Jersey	58,824		58,824
Due to the General Fund		9,176	9,176
Due to the Agency Fund	935		935
Payroll Deductions Payable		155,747	155,747
Payable to student groups		58,191	58,191
Total liabilities	<u>59,759</u>	<u>223,114</u>	<u>282,873</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purpose:	<u>\$ 91,890</u>		<u>91,890</u>

**Exhibit B-8**

**Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2020**

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
District Contributions	\$ 15,000
Employee Contributions	24,608
Total Contributions	39,608
Investment earnings:	
Interest	1,612
Net investment earnings	1,612
Total additions	41,220
<b>DEDUCTIONS</b>	
Unemployment claims	80,162
Miscellaneous	-
Total deductions	80,162
Change in net position	(38,942)
Net position—beginning of the year	130,832
Net position—end of the year	\$ 91,890

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Board of Education (Board) of the Atlantic County Special Services School District (a component unit of the County of Atlantic) (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY:**

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

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

Based on the aforementioned criteria, the District has no component units. The Atlantic County Special Services School is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes component units.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:**

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

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, transportation services, itinerant services/shared services, schools to careers, and Harborfields). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (special instruction, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

- a. The District allocates 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.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

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

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances 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.

**Fund Balances – Governmental Funds**

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

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’s enterprise fund is comprised of the following:
- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.
  - Transportation Fund – This fund accounts for the revenues and expenses pertaining to the transportation services provided to other district within the State.
  - Itinerant/Shared Service Fund – This fund accounts for the revenues and expenses pertaining to the various itinerant services provided to other districts within the County. This fund also accounts for the shared service agreements with the Atlantic County Institute of Technology.



**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

- Schools to Careers Fund – This fund accounts for the revenues and expenses pertaining to the School to Careers Program that provides activities in a non-traditional community based system that ensures appropriate employment for the graduates.
- County Programs Fund – This fund accounts for the revenues and expenses pertaining to agreements with Atlantic County government to provide educational services for the County.

**3. Fiduciary Funds:**

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

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

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

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

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

**2. Investments:**

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 22,547
Supplies	1,402
	\$ 23,949

**4. Capital Assets:**

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

Buildings	30-50 years
Machinery and equipment	3-20 years
Improvements	10-50 years

**5. Revenues:**

Substantially all governmental fund revenues are accrued. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program.

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**6. Expenditures:**

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**7. Compensated Absences:**

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

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

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

**8. Interfund Activity:**

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office and are approved by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2a.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board. The following significant budget transfers were approved during the year:

	<u>From</u>	<u>To</u>
Multiple Disabilities - Salaries of Teachers	147,976	
Multiple Disabilities - Other Salaries for Inst.	219,472	
Autism - Other Salaries for Inst.		123,541
Undist. Expend - Health Benefits	150,000	
Construction Services		118,919
Transfer to Food Service Fund		150,000

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**10. Encumbrances:**

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

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.

**11. 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.

**12. Use of Estimates**

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

**13. Allocation of Costs**

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

**14. 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.

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement is effective for fiscal periods beginning after December 15, 2019, 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.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement is effective for fiscal periods beginning after June 15, 2020, with the exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement is effective for fiscal periods beginning after June 15, 2020, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private Partnerships and Availability Payment Arrangements". This statement is effective for fiscal periods beginning after June 15, 2022, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This statement is effective upon issuance and will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement is effective for fiscal periods beginning after June 15, 2022 and will not have any effect on the District's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement is effective for fiscal periods beginning after June 15, 2021, with certain exceptions, and will not have any effect on the District's financial reporting.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**NOTE 2. INVESTMENTS**

As of June 30, 2020, the District had no investments.

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

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

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

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2020, \$0 of the District's bank balance of \$7,759,553 was exposed to custodial credit risk.

**NOTE 4. CAPITAL RESERVE FUND**

A capital reserve account was established by the Atlantic County Special Services School Board of Education on September 28, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C.



**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

6A-23:2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 809,709
Interest Earnings	200
Tranferred In	300,000
Tranferred Out	(113,920)
Cancelled Projects	<u>44,479</u>
Ending Balance, June 30, 2020	<u>\$ 1,040,468</u>

**NOTE 5. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Atlantic County Special Services School District on June 25, 2012, for the accumulation of funds for use as 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 maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 552,471
Interest Earnings	100
Anticipated in Budget	(196,600)
Transferred from Current Budget	300,000
Ending balance, June 30, 2020	<u><u>\$ 655,971</u></u>

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**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**NOTE 6. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 636,272			636,272
Total capital assets not being depreciated	<u>636,272</u>	-	-	<u>636,272</u>
Bldg and bldg improve	29,167,645			29,167,645
Machinery & equipment	2,213,989	110,282	880	2,325,151
Total at historical cost	<u>31,381,634</u>	<u>110,282</u>	<u>880</u>	<u>31,492,796</u>
Less accum depr for:				
Bldg and improve	(11,857,054)	(740,576)		(12,597,630)
Equipment	(1,079,701)	(151,420)	3,474	(1,227,647)
Total accum deprec	<u>(12,936,755)</u>	<u>(891,996)</u>	<u>3,474</u>	<u>(13,825,277)</u>
Total capital assets being depr, net of accum depr	<u>18,444,879</u>	<u>(781,714)</u>	<u>4,354</u>	<u>17,667,519</u>
<b>Governmental activities capital assets, net</b>	<u><u>19,081,151</u></u>	<u><u>(781,714)</u></u>	<u><u>4,354</u></u>	<u><u>18,303,791</u></u>
<b>Business-type activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 73,500			73,500
Total capital assets not being depreciated	<u>73,500</u>	-	-	<u>73,500</u>
Building and improve	575,080			575,080
Equipment	3,561,716	173,703		3,735,419
Less accum depr for:				
Building and improve	(226,701)	(19,648)		(246,349)
Equipment	(2,770,077)	(119,051)		(2,889,128)
<b>Business-type activities capital assets, net</b>	<u><u>\$ 1,213,518</u></u>	<u><u>35,004</u></u>	<u><u>-</u></u>	<u><u>1,248,522</u></u>

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

Depreciation expense is charged to governmental functions as follows:

Other special instruction	\$	444,925
Other instruction		29,589
Student & instruction related services		178,128
School administrative expenses		28,753
General and business administration		79,785
Plant operations and maintenance		129,688
Pupil Transportation		1,128
	<u>\$</u>	<u>891,996</u>

**NOTE 7. GENERAL LONG-TERM DEBT**

**Governmental Activities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Net Pension Liability	\$ 16,671,716		2,757,401	13,914,315	
Compensated Absences Payable	305,377	39,580	115,939	229,018	
Total	<u>\$ 16,977,093</u>	<u>39,580</u>	<u>2,873,340</u>	<u>14,143,333</u>	<u>-</u>

**Business Type Activities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Compensated Absences Payable	204,276	34,960	68,933	170,303	
	<u>\$ 204,276</u>	<u>34,960</u>	<u>68,933</u>	<u>170,303</u>	<u>-</u>

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**NOTE 8. 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.shtml>

**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.

**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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

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.

**Funding Policy**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 28.34% and the PERS rate is 13.69% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2020, 2019 and 2018 were \$1,539,700, \$1,419,931 and \$1,036,669 respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2020, 2019 and 2018 were \$751,151, \$803,927, and \$901,025. respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2020, 2019 and 2018, the State of New Jersey contributed \$571,201, \$644,079, and \$671,500, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$497,472, \$512,090, and \$533,246, 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 standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 32 employees enrolled in the DCRP for the year ended June 30, 2020.

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

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.

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

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).

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 and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS and TPAF 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 and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> 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 and TPAF 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.



**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**NOTE 9: PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2020, the District reported a liability of \$13,914,315 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, 2019, the District's proportion was 0.077224532%, which was a decrease of 8.80% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of (\$1,130,192). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expensed and actual experience	\$ 249,744	61,467
Changes of assumptions	1,389,395	4,829,615
Differences between expected and actual earnings		219,643
Changes in proportion	37,240	5,048,438
District Contributions subsequent to the measurement date	<u>751,147</u>	
Total	<u>\$ 2,427,526</u>	<u>10,159,163</u>

\$751,147 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2020	\$ (1,011,159)
2021	(3,118,612)
2022	(2,858,784)
2023	(1,355,196)
2024	<u>(139,033)</u>
Total	<u>\$ (8,482,784)</u>

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate:		
Price		2.75%
Wage		3.25%
Salary increases:		
Through 2026		2.00% - 6.00% (based on years of service)
Thereafter		3.00% - 7.00% (based on years of service)
Investment rate of return:		7.00%

Pre-retirement mortality rates were based on the RP-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disable Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

***Discount Rate***

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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.***

The following presents the collective net pension liability of the participated employers as of June 30, 2019, 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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.68%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	\$ 16,699,485	13,914,315	11,570,142

*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 10. TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2020, 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		43,399,217
Total	\$	43,399,217

The net pension liability was measured as of June 30, 2019 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, 2019, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$1,137,952 and revenue of \$1,137,952 for support provided by the State. At June 30, 2020, the deferred outflows of resources and deferred inflows of resources attributable to the District related to TPAF from the following sources:

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$ 851,072	150,869
Changes of assumptions	6,173,007	12,137,119
Net difference between projected and actual earnings on pension plan investments		115,529
Changes in proportion and differences between District contributions and proportionate share of contributions		5,494,607
District contributions subsequent to the measurement date	<u>1,421,850</u>	<u>                    </u>
Total	<u>\$ 8,445,929</u>	<u>17,898,124</u>

\$1,421,850 reported as deferred inflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2020	\$ (389,394)
2021	(1,006,716)
2022	(901,367)
2023	(1,738,770)
2024	(3,404,006)
Thereafter	<u>(3,433,793)</u>
Total	<u>\$ (10,874,046)</u>

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

*Actuarial assumptions.* The total pension liability in the June 30, 2019 actuarial valuation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3..25%
Salary increases	
Through 2026	1.55% - 4.55% (based on years of service)
Thereafter	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Medan Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

***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, 2019) 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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Risk Mitigation Services	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

*Discount rate.* The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.60% 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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

is 1-percentage point lower (4.60%) or 1-percentage point higher (6.60%) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
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 10. OTHER POST-RETIREMENT BENEFITS**

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 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 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 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



**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, 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 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, 2019 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:

Inflation rate – 2.50%

Salary Increases –

TPAF - 1.55% - 3.05% based on years of service.  
PERS – 2.00% - 6.00% based on years of service

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), AND "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

**Health Care Trend Assumptions –**

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate –**

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

The discount rates as of June 30, 2017, 2018, and 2019 are 3.58%, 3.87%, and 3.50%, respectively.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.



**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	34,382,902,820	41,729,081,045	51,453,912,586

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$546,400 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, 2019, 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 expended and actual experience		10,484,965,300
Changes of assumptions		8,481,529,343
Net difference between projected and actual earnings on investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		1,921,145,183
District contributions subsequent to the measurement date	1,190,373,242	
Total	<b>\$ 1,190,373,242</b>	<b>20,887,639,826</b>

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:

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

Year ended June 30,	
2020	\$ (2,546,527,182.00)
2021	(2,546,527,182.00)
2022	(2,546,527,182.00)
2023	(2,546,527,182.00)
2024	(2,546,527,182.00)
Thereafter	(6,233,858,733.00)
Total	\$ (18,966,494,643.00)

(Contributions made after June 30, 2019 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.

**NOTE 11. COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

**NOTE 12. DEFERRED COMPENSATION**

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

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

**NOTE 13. RISK MANAGEMENT**

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

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2019 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. This is a pay as you go plan and the District does not use any present value calculations to determine the estimated liability. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020 \$	15,000	24,608	1,612	80,162	91,890
2018-2019	-	25,150	754	34,003	130,832
2017-2018	25,000	26,381	252	74,463	138,931

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Financial Statements  
June 30, 2020**

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2020:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 83,496	5,543
Food Service Fund		20,000
Itinerant/Shared Services	5,124	
County Programs Fund		53,901
Payroll Agency Fund		9,176
Total	\$ 88,620	88,620

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies and to subsidize operating revenue in food service. It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 15 LITIGATION**

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

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$5,617,862 General Fund balance at June 30, 2019, \$1,223,241 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; \$1,040,468 has been reserved for future capital activity; \$655,971 has been reserved for future maintenance activity; \$154,430 has been reserved for encumbrances; and \$2,543,752 is unreserved and undesignated.

**NOTE 17. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 22, 2020, the date on which the financial statements were available to be issued, and no items were identified that require disclosure.

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**Required Supplementary Information**  
**Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County Appropriation	\$ 2,070,597		2,070,597	2,070,597	-
Tuition- from LEAs	13,930,297		13,930,297	14,210,684	280,387
Other Tuition	133,650		133,650	539,000	405,350
Non-Resident Fees	203,580		203,580	212,060	8,480
Rents and Royalties	126,800		126,800	135,467	8,667
Sale of Property	25,000		25,000	-	(25,000)
Interest Earned on Capital Reserve Funds	200		200	200	-
Interest Earned on Maintenance Reserve Funds	100		100	100	-
Miscellaneous	27,800		27,800	110,475	82,675
<b>Total - Local Sources</b>	<b>16,518,024</b>	<b>-</b>	<b>16,518,024</b>	<b>17,278,583</b>	<b>760,559</b>
State Sources:					
Reimbursed TPAF Social Security Contributions (non-budgeted)				497,472	497,472
On-behalf TPAF Post Retirement Contributions (non-budgeted)				571,201	571,201
On-behalf TPAF LTDI (non-budgeted)				596	596
On-behalf TPAF Pension Contributions (non-budgeted)				1,539,700	1,539,700
<b>Total - State Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,608,969</b>	<b>2,608,969</b>
Federal Sources:					
Medical Assistance Program	125,000		125,000	187,186	62,186
<b>Total - Federal Sources</b>	<b>125,000</b>	<b>-</b>	<b>125,000</b>	<b>187,186</b>	<b>62,186</b>
<b>Total Revenues</b>	<b>16,643,024</b>	<b>-</b>	<b>16,643,024</b>	<b>20,074,738</b>	<b>3,431,714</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Behavioral Disabilities					
Salaries of Teachers	349,818	106,101	455,919	454,363	1,556
Other Salaries for Instruction	76,849	93,142	169,991	132,225	37,766
Purchased Professional-Educational Services	101,100	39,000	140,100	101,838	38,262
General Supplies	6,696	2,000	8,696	5,395	3,301
Textbooks	475	-	475	-	475
Other Objects	3,000	(3,000)	-	-	-
<b>Total Behavioral Disabilities</b>	<b>537,938</b>	<b>237,243</b>	<b>775,181</b>	<b>693,821</b>	<b>81,360</b>
Multiple Disabilities					
Salaries of Teachers	1,815,267	(147,976)	1,667,291	1,597,432	69,859
Other Salaries for Instruction	1,366,642	(219,472)	1,147,170	984,499	162,671
Purchased Professional-Educational Services	96,400	(38,000)	58,400	53,325	5,075
Other Purchased Services	677	2,000	2,677	-	2,677
General Supplies	70,071	6,500	76,571	57,290	19,281
Textbooks	1,871	-	1,871	1,140	731
Other Objects	5,447	(3,500)	1,947	1,017	930
<b>Total Multiple Disabilities</b>	<b>3,356,375</b>	<b>(400,448)</b>	<b>2,955,927</b>	<b>2,694,703</b>	<b>261,224</b>
Autism					
Salaries of Teachers	784,321	(384)	783,937	782,064	1,873
Other Salaries for Instruction	213,862	123,541	337,403	334,438	2,965
Purchased Professional-Educational Services	59,500	-	59,500	24,444	35,056
General Supplies	2,500	1,150	3,650	3,396	254
Other Objects	6,900	(2,652)	4,248	4,229	19
<b>Total Autism</b>	<b>1,067,083</b>	<b>121,655</b>	<b>1,188,738</b>	<b>1,148,571</b>	<b>40,167</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	206,511	16,898	223,409	222,571	838
Other Salaries for Instruction	165,714	(17,598)	148,116	104,403	43,713
Purchased Professional-Educational Services	31,000	-	31,000	817	30,183
General Supplies	1,900	1,150	3,050	2,955	95
Other Objects	400	-	400	400	-
<b>Total Preschool Disabilities - Full-Time</b>	<b>405,525</b>	<b>450</b>	<b>405,975</b>	<b>331,146</b>	<b>74,829</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Extended School Year					
Salaries of Teachers	204,262	(8,400)	195,862	171,553	24,309
Other Salaries for Instruction	83,000	15,040	98,040	96,699	1,341
Purchased Professional-Educational Services	-	79,000	79,000	78,690	310
Other Purchased Services	50	-	50	-	50
General Supplies	4,000	(1,840)	2,160	1,435	725
Other Objects	15,000	(6,700)	8,300	6,152	2,148
<b>Total Extended School Year</b>	<b>306,312</b>	<b>77,100</b>	<b>383,412</b>	<b>354,529</b>	<b>28,883</b>
Cognitive - Severe					
Salaries of Teachers	434,362	-	434,362	429,180	5,182
Other Salaries for Instruction	189,306	-	189,306	150,740	38,566
Purchased Professional-Educational Services	228,413	-	228,413	220,430	7,983
General Supplies	1,785	-	1,785	1,483	302
<b>Total Cognitive - Severe</b>	<b>853,866</b>	<b>-</b>	<b>853,866</b>	<b>801,833</b>	<b>52,033</b>
<b>Total Special Education - Instruction</b>	<b>6,527,099</b>	<b>36,000</b>	<b>6,563,099</b>	<b>6,024,603</b>	<b>538,496</b>
Other Instructional Programs - Instruction					
Salaries	468,261	(10,400)	457,861	401,046	56,815
Purchased Services	2,000	-	2,000	-	2,000
Supplies and Materials	11,250	-	11,250	876	10,374
<b>Total Other Instructional Programs - Instruction</b>	<b>481,511</b>	<b>(10,400)</b>	<b>471,111</b>	<b>401,922</b>	<b>69,189</b>
<b>Total Instruction</b>	<b>7,008,610</b>	<b>25,600</b>	<b>7,034,210</b>	<b>6,426,525</b>	<b>607,685</b>
Undistributed Expenditures - Health Services:					
Salaries	207,694	-	207,694	184,796	22,898
Purchased Professional and Technical Services	109,800	(7,300)	102,500	71,776	30,724
Other Purchased Services	1,900	-	1,900	1,688	212
Supplies and Materials	5,154	-	5,154	3,596	1,558
Other Objects	750	-	750	163	587
<b>Total Undistributed Expenditures - Health Services</b>	<b>325,298</b>	<b>(7,300)</b>	<b>317,998</b>	<b>262,019</b>	<b>55,979</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT & Related Services:					
Salaries	1,244,486	(29,000)	1,215,486	1,197,137	18,349
Purchased Professional and Educational Services	500	-	500	-	500
Supplies and Materials	4,250	3,800	8,050	7,402	648
<b>Total Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT &amp; Related Services:</b>	<b>1,249,236</b>	<b>(25,200)</b>	<b>1,224,036</b>	<b>1,204,539</b>	<b>19,497</b>
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	728,940	(34,700)	694,240	636,719	57,521
Salaries of Secretarial and Clerical Assistants	58,068	-	58,068	57,611	457
Other Salaries	106,537	-	106,537	106,437	100
Purchased Professional and Educational Services	4,900	38,500	38,500	28,080	10,420
Other Purchased Services	3,048	(100)	4,800	4,247	553
Supplies and Materials	820	(300)	2,748	1,719	1,029
Other Objects		100	920	845	75
<b>Total Undistributed Expenditures - Other Support Services - Students - Child Study Team:</b>	<b>902,313</b>	<b>3,500</b>	<b>905,813</b>	<b>835,658</b>	<b>70,155</b>
Undistributed Expenditures - Improvement of Instructional Serv. Salaries of Supervisors of Instruction	114,770	(700)	114,070	106,232	7,838
Other Salaries	4,500	-	4,500	760	3,740
Purchased Professional and Educational Services	2,000	100	2,100	2,004	96
Supplies and Materials		1,900	1,900	1,895	5
Other Objects	820	1,200	2,020	1,974	46
<b>Total Undistributed Expenditures - Improvement of Instructional Serv. Salaries of Supervisors of Instruction</b>	<b>122,090</b>	<b>2,500</b>	<b>124,590</b>	<b>112,865</b>	<b>11,725</b>
Undistributed Expenditures - Educational Media Serv./Sch. Library Purchased Professional and Technical Services	3,500	-	3,500	-	3,500
Supplies and Materials	1,000	4,500	5,500	242	5,258
<b>Total Undistributed Expenditures - Edu. Media Serv/Sch Library</b>	<b>4,500</b>	<b>4,500</b>	<b>9,000</b>	<b>242</b>	<b>8,758</b>
Undistributed Expenditures - Instructional Staff Training Services Purchased Professional - Educational Services	17,200	(2,500)	14,700	3,904	10,796
Other Purchased Services	1,000	-	1,000	349	651
Supplies and Materials	300	-	300	-	300
<b>Total Undistributed Expenditures -Instructional Staff Training Services</b>	<b>18,500</b>	<b>(2,500)</b>	<b>16,000</b>	<b>4,253</b>	<b>11,747</b>



Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	153,163	30,000	183,163	178,216	4,947
Unused Vacation Payment to Terminated/Retired Staff	4,105	-	4,105	3,266	839
Legal Services	52,912	(750)	52,162	33,379	18,783
Audit Fees	31,000	-	31,000	30,000	1,000
Architectural/Engineering Services	2,000	-	2,000	-	2,000
Other Purchased Professional Services	10,271	-	10,271	9,184	1,087
Communications/Telephone	40,700	-	40,700	31,324	9,376
Other Purchased Services	69,350	-	69,350	59,679	9,671
General Supplies	7,500	-	7,500	5,806	1,694
BOE In-House Training/Meeting Supplies	2,500	-	2,500	-	2,500
Miscellaneous Expenditures	7,540	(1,050)	6,490	4,081	2,409
BOE Membership Dues and Fees	9,520	1,800	11,320	11,245	75
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>390,561</b>	<b>30,000</b>	<b>420,561</b>	<b>366,180</b>	<b>54,381</b>
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	223,974	-	223,974	183,517	40,457
Salaries of Secretarial and Clerical Assistants	194,038	-	194,038	156,476	37,562
Unused Vacation Payment to Terminated/Retired Staff	7,900	-	7,900	4,795	3,105
Other Purchased Services	56,650	-	56,650	43,579	13,071
Supplies and Materials	3,000	-	3,000	511	2,489
Other Objects	6,225	-	6,225	1,690	4,535
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>491,787</b>	<b>-</b>	<b>491,787</b>	<b>390,568</b>	<b>101,219</b>
Undistributed Expenditures - Central Services					
Salaries	574,423	(34,500)	539,923	492,541	47,382
Unused Vacation Payment to Terminated/Retired Staff	13,809	4,500	18,309	18,183	126
Purchased Professional Services	34,840	-	34,840	28,318	6,522
Miscellaneous Purchased Services	7,600	-	7,600	4,891	2,709
Supplies and Materials	10,000	-	10,000	8,035	1,965
Miscellaneous Expenses	3,180	-	3,180	781	2,399
<b>Total Undistributed Expenditures - Central Services</b>	<b>643,852</b>	<b>(30,000)</b>	<b>613,852</b>	<b>552,749</b>	<b>61,103</b>
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	105,825	-	105,825	101,549	4,276
Purchased Technical Services	27,550	-	27,550	23,932	3,618
Other Purchased Services	250	-	250	-	250
Supplies and Materials	51,996	-	51,996	38,251	13,745
Other Objects	1,750	-	1,750	1,085	665
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>187,371</b>	<b>-</b>	<b>187,371</b>	<b>164,817</b>	<b>22,554</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities of Plant Services:					
Salaries	257,225	-	257,225	242,672	14,553
Unused Vacation Payment to Terminated/Retired Staff		2,553	2,553	2,553	-
Cleaning, Repair and Maintenance Services	238,135	-	238,135	190,972	47,163
General Supplies	82,053	(2,553)	79,500	72,211	7,289
Other Objects	2,500	-	2,500	60	2,440
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>579,913</b>	<b>-</b>	<b>579,913</b>	<b>508,468</b>	<b>71,445</b>
Undistributed Expenditures - Custodial Services:					
Salaries	419,747	(12,400)	407,347	402,272	5,075
Purchased Professional and Technical Services	3,750	1,675	5,425	950	4,475
Cleaning, Repair, and Maintenance Services	25,000	(1,000)	24,000	21,529	2,471
Other Purchased Property Services	22,500	1,000	23,500	23,022	478
Insurance	105,000	(21,612)	83,388	76,399	6,989
General Supplies	68,620	66,825	135,445	105,616	29,829
Energy (Natural Gas)	125,000	(3,900)	121,100	90,100	31,000
Energy (Electricity)	355,000	(16,100)	338,900	338,805	95
Energy (Gasoline)	2,000	-	2,000	1,584	416
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>1,126,617</b>	<b>14,488</b>	<b>1,141,105</b>	<b>1,060,277</b>	<b>80,828</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	27,500	(15,000)	12,500	10,282	2,218
General Supplies	12,580	(8,000)	4,580	1,683	2,897
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>40,080</b>	<b>(23,000)</b>	<b>17,080</b>	<b>11,965</b>	<b>5,115</b>
Undistributed Expenditures - Security					
Salaries	143,598	-	143,598	141,960	1,638
Purchased Professional and Technical Services	56,950	-	56,950	37,701	19,249
General Supplies	8,000	-	8,000	1,132	6,868
<b>Total Undistributed Expenditures - Security</b>	<b>208,548</b>	<b>-</b>	<b>208,548</b>	<b>180,793</b>	<b>27,755</b>
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - (Other than Between Home and School) - Vendors	98,700	(9,500)	89,200	15,328	73,872
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>98,700</b>	<b>(9,500)</b>	<b>89,200</b>	<b>15,328</b>	<b>73,872</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Unallocated Benefits:</b>					
Social Security Contributions	315,000	-	315,000	310,891	4,109
Other Retirement Contributions - PERS	628,303	(11,500)	616,803	520,629	96,174
Other Retirement Contributions - DCRP	2,500	4,500	7,000	6,065	935
Unemployment Compensation	15,000	-	15,000	15,000	-
Worker's Compensation	290,000	-	290,000	289,967	33
Health Benefits	3,921,550	(150,000)	3,771,550	3,068,374	703,176
Tuition Reimbursement	40,000	-	40,000	6,233	33,767
Other Employee Benefits	12,500	-	12,500	7,600	4,900
Unused Sick Payment to Terminated/Retired Staff	114,741	7,000	121,741	120,486	1,255
<b>Total Unallocated Benefits</b>	<b>5,339,594</b>	<b>(150,000)</b>	<b>5,189,594</b>	<b>4,345,245</b>	<b>844,349</b>
Reimbursed TPAF Social Security Contributions (non-budgeted)				497,472	(497,472)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				571,201	(571,201)
On-behalf TPAF LTDI (non-budgeted)				596	(596)
On-behalf TPAF Pension Contributions (non-budgeted)				1,539,700	(1,539,700)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,608,969</b>	<b>(2,608,969)</b>
<b>Total Undistributed Expenditures</b>	<b>11,728,960</b>	<b>(192,512)</b>	<b>11,536,448</b>	<b>12,624,935</b>	<b>(1,088,487)</b>
Interest Earned on Maintenance Reserve	100	-	100	100	-
<b>Total Current Expense</b>	<b>18,737,670</b>	<b>(166,912)</b>	<b>18,570,758</b>	<b>19,051,560</b>	<b>(480,802)</b>
<b>Capital Outlay:</b>					
Interest Earned on Capital Reserve	200	-	200	200	-
Equipment:					
Undistributed Expenditures:					
Admin Info Tech	6,000	10,400	16,400	3,648	12,752
Required Maintenance for School Fac.	-	6,513	6,513	6,512	1
Custodial Services	4,500	-	4,500	3,528	972
<b>Total Equipment</b>	<b>10,700</b>	<b>16,913</b>	<b>27,613</b>	<b>13,888</b>	<b>13,725</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Facilities Acquisition and Construction Services:					
Construction Services	121,909	118,919	240,828	191,348	49,480
Total Facilities Acquisition and Construction Services	121,909	118,919	240,828	191,348	49,480
<b>Total Capital Outlay</b>	<b>132,609</b>	<b>135,832</b>	<b>268,441</b>	<b>205,236</b>	<b>63,205</b>
<b>Total Expenditures</b>	<b>18,870,279</b>	<b>(31,080)</b>	<b>18,839,199</b>	<b>19,256,796</b>	<b>(417,597)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,227,255)	31,080	(2,196,175)	817,942	3,014,117
Other Financing Sources (Uses):					
Cancellation of Prior Year Payables				599	599
Refund of Prior Year's Revenue				230,559	230,559
Increase in Capital Reserve				(230,559)	(230,559)
Transfer to Capital Reserve				103,400	103,400
Increase in Maintenance Reserve				(103,400)	(103,400)
Transfer to Maintenance Reserve					
Operating Transfers Out:					
Transfer from Capital Projects Fund					
Transfer to Food Service Fund - Board Contribution	(40,000)	(150,000)	(190,000)	(190,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,267,255)	(118,920)	(2,386,175)	628,541	3,014,716
Fund Balances, July 1	4,989,321	-	4,989,321	4,989,321	-
Fund Balances, June 30	\$ 2,722,066	(118,920)	2,603,146	5,617,862	3,014,716
<b>Reconciliation of Fund Balance:</b>					
<b>Committed Fund Balance:</b>					
Capital Reserve				1,040,468	
Maintenance Reserve				655,971	
Designated for Subsequent Year's Expenditures				1,223,241	
<b>Assigned Fund Balance:</b>					
Reserve for Encumbrances				154,430	
<b>Unassigned Fund Balance</b>					
				2,543,752	
				5,617,862	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis					
				-	
Fund Balance per Governmental Funds (GAAP)					
				5,617,862	

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources		45,608	45,608	40,962	(4,646)
Total - Local Sources	-	45,608	45,608	40,962	(4,646)
<b>Total Revenues</b>	-	<b>45,608</b>	<b>45,608</b>	<b>40,962</b>	<b>(4,646)</b>

**Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Budgetary Comparison Schedule**

**Special Revenue Fund  
For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
General Supplies		23,623	23,623	18,977	4,646
<b>Total instruction</b>	-	23,623	23,623	18,977	4,646
<b>Facilities acquisition and construction services:</b>					
Non-instructional Equipment		21,985	21,985	21,985	-
<b>Total facilities acquisition and construction services</b>	-	21,985	21,985	21,985	-
<b>Total expenditures</b>	-	<b>45,608</b>	<b>45,608</b>	<b>40,962</b>	<b>4,646</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-	-

**ATLANTIC COUNTY SPRECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**

**Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

		General Fund	Special Revenue
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	C-1; C-2	\$ 20,074,738	40,962
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior year			
Current year			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.			
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	20,074,738	40,962
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-2	19,256,796	40,962
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Prior year			
Current year			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to enterprise fund.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	\$ 19,256,796	40,962

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**Required Supplementary Information**  
**Part III**

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Seven Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0772245320%	0.0846731219%	0.0968321010%	0.1111737820%	0.1163600000%	0.1250800000%	0.1220000000%
District's proportionate of the net pension liability (asset)	\$ 13,914,315	\$ 16,671,716	\$ 22,540,965	\$ 32,926,485	\$ 26,119,602	\$ 23,417,955	\$ 23,359,742
District's covered payroll	\$ 4,571,254	\$ 4,873,381	\$ 5,975,866	\$ 6,833,374	\$ 6,988,957	\$ 8,719,053	\$ 8,676,108
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	304.39%	342.10%	377.20%	481.85%	373.73%	268.58%	269.24%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	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 show information for a 10 year period. However, information is only currently available for seven years. Additional years will be presented as they become available.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
 (A Component Unit of the County of Atlantic)  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Seven Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	751,147	842,224	897,046	987,652	1,000,350	1,000,872	\$ 908,418
Contributions in relation to the contractually required contribution	751,147	842,224	897,046	987,652	1,000,350	1,000,872	908,418
Contribution deficiency (excess)	-	-	-	-	-	-	\$ -
District's covered-employee payroll	4,571,254	4,873,381	5,975,866	6,833,374	6,988,957	8,719,053	\$ 8,676,108
Contributions as a percentage of covered-employee payroll	16.43%	17.28%	15.01%	14.45%	14.31%	11.48%	10.47%

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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Seven Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.070716%	0.068926%	0.066279%	0.066280%	0.07846%	0.06300%	0.08200%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	43,399,217	50,222,271	60,321,128	60,321,128	49,593,171	44,293,160	41,665,099
Total	<u>43,399,217</u>	<u>50,222,271</u>	<u>60,321,128</u>	<u>60,321,128</u>	<u>49,593,171</u>	<u>44,293,160</u>	<u>41,665,099</u>
District's covered payroll	6,843,176	7,257,826	7,115,052	7,080,193	7,197,007	8,522,183	8,480,208
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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; 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 seven years. Additional years will be presented as they become available.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Four Fiscal Years**

	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	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	\$ 67,529,504	\$ 75,531,668	\$ 89,009,148	\$ 96,530,933
<b>Total</b>	<b>\$ 67,529,504</b>	<b>\$ 75,531,668</b>	<b>\$ 89,009,148</b>	<b>\$ 96,530,933</b>
District's covered payroll	11,414,430	12,131,207	13,090,918	13,913,567
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:				
Service Cost	2,026,063.00	2,500,857.00	3,007,375.00	
Interest Cost	2,962,931.00	3,241,462.00	2,808,744.00	
Differences between Expected & Actual	(11,986,522.00)	(8,602,276.00)		
Changes in Assumptopns	1,006,870.00	(8,667,637.00)	(11,352,178.00)	
Member Contributions	61,448.00	69,804.00	75,915.00	
Benefit Payments	(2,072,954.00)	(2,019,690.00)	(2,061,641.00)	
Change in Total Opeb Liability	(8,002,164.00)	(13,477,480.00)	(7,521,785.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	75,531,668.00	89,009,148.00	96,530,933.00	
Ending Balance	\$ 67,529,504.00	\$ 75,531,668.00	\$ 89,009,148.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	591.62%	622.62%	679.93%	

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 four years.  
Additional years will be presented as they become available.

**SPECIAL REVENUE FUND**

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Safety Grant	Education Foundation Grant	Total 2018
<b>REVENUES:</b>			
State Sources	-	-	-
Federal Sources	-	-	-
Local Sources	\$ 21,985	\$ 18,977	40,962
Total revenues	21,985	18,977	40,962
<b>EXPENDITURES:</b>			
Instruction:			
General supplies		18,977	18,977
Total instruction	-	18,977	18,977
Facilities acquisition and const. serv.:			
Noninstructional equipment	21,985		21,985
Total facilities acquisition and construction services	21,985	-	21,985
Total expenditures	\$ 21,985	\$ 18,977	40,962

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**FIDUCIARY FUNDS**

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**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Trust and Agency Fund**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2020**

	Trust Funds	Agency		
	Expendable Unemployment	Student Activity	Payroll	Totals
ASSETS:				
Cash and cash equivalents	\$ 148,893	58,191	163,988	371,072
Due from the State of New Jersey	2,756			2,756
Due from Unemployment Trust Fund			935	935
Total Assets	<u>151,649</u>	<u>58,191</u>	<u>164,923</u>	<u>374,763</u>
LIABILITIES AND EQUITY:				
Liabilities:				
Due to State of New Jersey	58,824			58,824
Due to General Fund			9,176	9,176
Due to Payroll Agency Fund	935			935
Payroll Deductions Payable			155,747	155,747
Due to Student Groups		58,191		58,191
Total Liabilities	<u>59,759</u>	<u>58,191</u>	<u>164,923</u>	<u>282,873</u>
Equity:				
Net Position				
Reserved -	91,890			91,890
Expendable Trust				
Total equity	<u>91,890</u>	<u>-</u>	<u>-</u>	<u>91,890</u>
Total liabilities and equity	<u>\$ 151,649</u>	<u>58,191</u>	<u>164,923</u>	<u>374,763</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Expendable Trust Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Net Position**  
**Year Ending June 30, 2020**

	<b>Unemployment Trust</b>	<b>Total Expendable Trust</b>
<b>ADDITIONS</b>		
Local sources:		
Interest on investments	\$ 1,612	1,612
District contributions	15,000	15,000
Employee withholdings	24,608	24,608
Total additions	41,220	41,220
 <b>DEDUCTIONS</b>		
Payments of unemployment claims	80,162	80,162
Total operating expenses	80,162	80,162
Change in net position	(38,942)	(38,942)
Net Position, July 1	130,832	130,832
Net Position, June 30	\$ 91,890	91,890

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Year Ended June 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 68,261	59,525	69,595	58,191
Total assets	<u>68,261</u>	<u>59,525</u>	<u>69,595</u>	<u>58,191</u>
<b>LIABILITIES:</b>				
Due to Student groups	68,261	59,525	69,595	58,191
Total liabilities	<u>\$ 68,261</u>	<u>59,525</u>	<u>69,595</u>	<u>58,191</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**(A Component Unit of the County of Atlantic)**  
**Payroll Agency Fund**  
**Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year ended June 30, 2020**

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>June 30, 2019</u>			<u>June 30, 2020</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 141,653	6,202,753	6,180,418	163,988
Due from Unemployment Trust	935			935
Total assets	<u>142,588</u>	<u>6,202,753</u>	<u>6,180,418</u>	<u>164,923</u>
<b>LIABILITIES:</b>				
Due to General Fund	6,621	2,555		9,176
Payroll deductions and withholdings	135,967	6,200,198	6,180,418	155,747
Total liabilities	<u>\$ 142,588</u>	<u>6,202,753</u>	<u>6,180,418</u>	<u>164,923</u>



## **Statistical Section**

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**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 23,554,439	22,859,252	22,911,095	22,029,125	21,491,916	20,804,347	20,064,288	20,045,747	19,081,151	18,303,791
Restricted	220,876	351,949	431,660	502,986	510,492	1,024,333	1,661,682	1,089,745	1,036,574	1,194,898
Unrestricted	4,063,779	3,119,820	2,805,165	2,237,148	(21,773,111)	(20,901,443)	(20,504,881)	(20,882,022)	(20,631,068)	(18,203,153)
<b>Total governmental activities net position</b>	<b>27,839,094</b>	<b>26,331,021</b>	<b>26,147,920</b>	<b>24,769,259</b>	<b>229,297</b>	<b>927,237</b>	<b>1,221,089</b>	<b>253,470</b>	<b>(513,343)</b>	<b>1,295,536</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	1,398,487	1,436,445	2,119,606	1,753,014	1,534,772	1,782,430	1,549,132	1,406,575	1,213,518	1,248,522
Restricted	2,268,554	2,304,396	1,638,304	1,503,127	2,255,100	2,363,799	2,673,412	2,928,500	3,570,730	4,113,856
Unrestricted	3,667,041	3,740,841	3,757,970	3,256,141	3,789,872	4,146,229	4,222,544	4,335,075	4,784,248	5,362,378
<b>Total business-type activities net position</b>										
<b>District-wide</b>										
Invested in capital assets, net of related debt	24,952,926	24,295,697	25,030,701	23,782,139	23,026,688	22,586,777	21,613,420	21,613,420	21,452,322	19,552,313
Restricted	220,876	351,949	431,660	502,986	510,492	1,024,333	1,661,682	1,661,682	1,089,745	1,194,898
Unrestricted	6,332,333	5,424,216	4,443,469	3,740,275	(19,518,011)	(18,537,644)	(17,831,469)	(17,831,469)	(17,953,522)	(14,089,297)
<b>Total district net position</b>	<b>\$ 31,506,135</b>	<b>30,071,862</b>	<b>29,905,830</b>	<b>28,025,400</b>	<b>4,019,169</b>	<b>5,073,466</b>	<b>5,443,633</b>	<b>5,443,633</b>	<b>4,588,545</b>	<b>6,657,914</b>

Source: CAFR Schedule A-1

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Changes in Net Position, Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities										
Instruction										
Other special education	\$ 11,149,057	11,219,541	7,601,339	7,845,081	7,607,307	6,674,720	13,150,586	15,342,977	11,186,765	9,535,986
Other instruction	1,103,773	1,151,081	769,477	761,457	855,485	840,012	1,269,274	1,508,517	716,677	634,180
Support Services:										
Student & instruction related services	4,251,924	4,212,370	3,011,649	3,038,669	2,884,228	2,575,716	5,315,899	5,997,389	4,638,765	3,817,777
General administrative services	1,090,686	899,144	604,907	631,216	672,983	590,498	933,999	1,168,796	866,764	616,266
School administrative services	1,601,949	1,632,110	1,089,890	1,115,928	1,174,994	1,237,757	2,437,219	2,910,094	2,145,912	1,710,011
Plant operations and maintenance	2,196,979	2,327,684	775,391	1,653,937	1,607,410	1,514,807	3,308,944	3,951,888	3,029,622	2,779,680
Pupil transportation	56,145	44,453	38,272	27,389	29,214	19,583	25,999	42,296	52,037	24,186
Unallocated benefits	-	32,246	6,734,753	6,750,637	9,043,970	9,090,398	74,634	59,166	5,451	116,939
Capital Outlay	-	-	916,307	889,920	798,079	841,464	-	-	-	-
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	21,450,513	21,518,629	21,541,985	22,714,234	24,673,670	23,374,955	26,516,554	30,981,123	22,641,993	19,234,925
Business-type activities:										
Food service	673,023	718,931	681,858	709,251	695,013	585,800	598,363	541,655	485,191	438,497
Transportation	7,022,680	7,575,920	7,725,596	7,510,045	7,345,473	7,130,778	6,548,940	5,888,134	5,381,802	4,881,204
Teachers Aide Services	2,471,358	3,172,293	4,042,881	3,462,620	3,499,857	3,650,622	4,071,467	4,468,163	4,455,719	4,060,654
Other	762,658	616,396	-	-	-	-	14,243	56,065	3,167	-
Total business-type activities expense	10,929,719	12,083,540	12,450,335	11,681,916	11,540,343	11,367,200	11,233,013	10,954,017	10,325,879	9,380,365
Total district expenses	32,380,232	33,602,169	33,992,320	34,396,150	36,214,013	34,742,155	37,749,567	41,935,140	32,967,872	28,615,280
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	17,736,399	16,440,380	17,045,538	17,511,058	17,300,771	18,249,748	17,688,459	14,652,684	13,329,154	14,961,744
Operating grants and contributions	9,793	46,464	1,763,872	1,555,966	3,673,677	3,637,239	4,888,197	8,778,626	6,026,617	3,763,082
Total governmental activities program revenues	17,746,182	16,486,844	18,809,410	19,067,024	20,974,448	21,886,987	22,576,656	23,431,310	19,355,771	18,724,826
Business-type activities:										
Charges for services:										
Food service	257,233	251,792	273,208	249,915	238,480	244,334	254,708	253,516	213,267	127,786
Transportation	6,576,257	8,379,071	7,986,914	7,137,544	7,552,623	6,650,694	6,143,004	5,932,797	5,670,735	4,752,423
Teachers Aide Services	2,119,577	2,578,198	3,571,220	3,428,023	3,686,080	3,889,285	4,467,413	4,622,046	4,724,732	4,765,054
Other	748,014	523,252	-	-	-	-	27,075	-	-	-
Operating grants and contributions	215,087	208,704	195,504	231,665	228,814	217,241	211,657	193,405	178,570	134,010
Total business-type activities program revenues	9,916,168	11,941,017	12,028,846	11,047,147	11,705,997	11,001,554	11,103,857	11,001,764	10,787,304	9,779,273
Total district program revenues	27,662,350	28,427,861	30,838,256	30,114,171	32,680,445	32,888,541	33,680,513	34,433,074	30,143,075	28,504,099
<b>Net (Expense)/Revenue</b>										
Governmental activities	(3,704,331)	(5,031,785)	(2,732,575)	(3,647,210)	(3,699,222)	(1,487,968)	(3,939,898)	(7,549,813)	(3,286,222)	(510,099)
Business-type activities	(1,013,551)	(142,523)	(421,489)	(634,769)	(165,654)	(385,646)	(129,156)	47,747	461,425	389,918
Total district-wide net expense	(4,717,882)	(5,174,308)	(3,154,064)	(4,281,979)	(3,864,876)	(1,873,614)	(4,069,054)	(7,502,066)	(2,824,797)	(121,181)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	1,980,000	1,999,800	2,039,796	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,070,597
Federal & State Aid - not restricted	1,316,894	1,623,163	215,658	116,233	610,235	215,447	1,582,346	4,077,210	213,882	187,186
Miscellaneous income	145,046	108,554	432,343	223,087	161,438	170,365	155,767	128,555	151,337	110,775
Rents and Royalties	-	-	-	-	-	-	75,000	75,000	96,800	135,467
Transfers	-	-	-	-	-	-	-	-	-	(190,000)
Contributed Services	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Payables	-	-	-	-	-	-	-	-	-	599
Gain on the Disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	4,354
County Bond Proceeds	6,809	7,739	803	12,133	60,582	60,582	16,641	183,779	21,065	-
Refund of Prior Year Revenue	-	-	-	-	-	-	628,900	37,848	(13,761)	-

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Receivable Cancelled	1,768									
Total governmental activities	3,374,409	3,523,712	2,549,474	2,268,549	2,519,002	2,185,908	4,233,750	6,582,194	2,519,409	2,318,978
Business-type activities:										
Miscellaneous income	74,340	215,544		133,000	305,976	250,000	200,000	64,784	-	190,000
Transfers					62,101		9,641			-
Cancellation of Prior Year Payables										
Adjustment to Capital Assets										
Loss on Disposal of Fixed Assets										
Cancellation of student balances										
Total business-type activities	76,108	216,323	438,558	133,000	388,077	250,000	205,471	64,784	(12,252)	(10,788)
Total district-wide	3,450,517	3,740,035	2,988,032	2,401,549	2,887,079	2,435,908	4,439,221	6,646,978	2,507,157	2,498,190
<b>Change in Net Position</b>										
Governmental activities	(329,922)	(1,508,073)	(183,101)	(1,378,661)	(1,180,220)	697,940	293,852	(967,619)	(766,813)	1,808,879
Business-type activities	(937,443)	73,800	17,069	(501,769)	533,731	(115,646)	76,315	112,531	449,173	578,130
Total district	\$ (1,267,365)	(1,434,273)	(166,032)	(1,880,430)	(646,489)	582,294	370,167	(855,088)	(317,640)	2,387,009

Source: CAFR Schedule A-2

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Committed										
Assigned		45,879	1,040,663	1,013,012		31,721	3,995,442	3,995,442	3,205,970	2,919,680
Unassigned	2,564,614	2,562,486	2,293,645	1,804,831	2,405,779	3,653,911	75,671	75,671	226,865	154,430
Reserved	2,165,853	1,365,844	431,660	309,691	489,731	1,024,333	2,767,342	2,767,342	1,556,486	2,543,752
Unreserved										
Total general fund	<u>4,730,467</u>	<u>3,974,209</u>	<u>3,765,968</u>	<u>3,127,534</u>	<u>2,895,510</u>	<u>4,709,965</u>	<u>6,838,455</u>	<u>6,838,455</u>	<u>4,989,321</u>	<u>5,617,862</u>
All Other Governmental Funds										
Assigned, reported in:										
Capital projects fund							545,260			
Unreserved, reported in:										
Capital projects fund	98,922	-	-	193,295	20,761	-	1,000			
Total all other governmental funds	<u>\$ 98,922</u>	<u>-</u>	<u>-</u>	<u>193,295</u>	<u>20,761</u>	<u>-</u>	<u>546,260</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Source: CAFR Schedule B-1

**Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
Unaudited**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
County Appropriation	1,980,000	1,999,800	2,039,796	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,070,597
Tuition charges	17,647,674	16,334,305	17,045,538	17,511,058	17,300,771	18,249,748	17,529,522	14,475,034	13,132,234	14,749,684
Interest Earnings	187	769	7,631	5,189	1,315	751	120	120	120	300
Rents & Royalties								75,000	96,800	135,467
Miscellaneous	243,367	251,526	441,731	227,935	194,428	171,096	360,093	326,374	403,782	363,497
State sources	1,166,835	1,481,637	1,753,872	1,550,836	1,817,040	1,880,708	2,058,082	6,115,623	2,576,673	2,608,969
Federal sources	150,059	150,324	208,639	111,326	473,389	201,036	362,503	206,294	213,882	187,186
Total revenue	21,188,122	20,218,351	21,497,207	21,456,440	21,837,039	22,553,435	22,360,416	23,248,541	18,473,587	20,115,700
<b>Expenditures</b>										
Instruction										
Other special instruction	7,740,956	7,635,798	7,601,339	7,845,081	7,607,307	6,674,720	6,498,631	6,435,827	6,125,895	6,043,580
Other instruction	766,366	783,403	769,477	761,457	855,485	840,012	627,238	632,769	392,454	401,922
Support Services:										
Student & instruction related services	2,952,174	2,866,856	3,011,649	3,038,669	2,884,228	2,575,716	2,626,960	2,515,689	2,540,197	2,419,576
General administrative services	369,917	611,940	604,907	631,216	672,983	590,498	384,566	411,630	388,851	366,180
School Administrative services	757,282	357,719	407,138	411,047	450,136	514,285	461,555	490,268	474,842	390,568
Business administrative services	742,340	753,063	682,752	704,881	724,858	723,472	819,836	809,050	786,254	717,566
Plant operations and maintenance	1,525,395	1,584,176	1,654,930	1,644,725	1,620,719	1,559,994	1,635,183	1,657,725	1,659,093	1,761,603
Pupil transportation	38,981	30,253	38,272	27,389	29,214	19,583	12,848	17,741	28,496	15,328
Unallocated employee benefits	5,633,755	5,987,339	6,708,050	6,699,085	6,846,339	6,902,753	6,919,388	10,854,307	7,115,220	6,954,214
Capital outlay	68,106	255,189	88,611	17,162	247,561	108,708	145,002	756,708	168,028	227,221
Total expenditures	20,595,272	20,865,736	21,567,125	21,780,712	21,938,830	20,509,741	20,131,207	24,581,714	19,679,130	19,297,758
Excess (Deficiency) of revenues over (under) expenditures	592,850	(647,375)	(69,918)	(324,272)	(101,791)	2,043,694	2,229,209	(1,333,173)	(1,205,543)	817,942
<b>Other Financing sources (uses)</b>										
Contributed Services										599
Cancellation of Prior Year Payables	6,809	7,739	803	12,133	60,582		16,641	183,779	-	-
County Bond Proceeds							628,900	37,848	-	-
Increase in Capital Reserve	75,000	75,000					392,100	(94,190)	(150,000)	230,559
Transfer to Capital Reserve	(75,000)	(75,000)					(392,100)	94,290	150,100	(230,559)
Transfer from Emergency Reserve								(2,336)	(150,000)	103,400
Decrease in Maintenance Reserve								2,356	150,020	(103,400)
Transfer from Maintenance Reserve								55,216	-	-
Transfers in	119,414	9,425								
Transfers out	(193,754)	(224,969)	(139,126)	(133,000)	(305,976)	(250,000)	(200,000)	(120,000)	(13,761)	-
Refund of Prior Year's Revenue										
Appropriations Cancelled					(57,373)					
Total other financing sources (uses)	(67,531)	(207,805)	(138,323)	(120,867)	(302,767)	(250,000)	445,541	156,963	(13,641)	(189,401)
Net change in fund balances	525,319	(855,180)	(208,241)	(445,139)	(404,558)	1,793,694	2,674,750	(1,176,210)	(1,219,184)	628,541
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: CAFR Schedule B-2

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
***Unaudited***

Fiscal Year Ended June 30,	Interest	Non-Resident Fees	Rent	Shared Services	Miscellaneous	Total
2011	187	-		-	243,367	243,554
2012	769	106,075		104,251	3,534	214,629
2013	7,631	129,518		111,281	183,913	432,343
2014	5,189	118,769		55,486	43,643	223,087
2015	1,315	108,286		48,376	3,461	161,438
2016	751	110,635		23,375	35,604	170,365
2017	8,919	158,937		105,621	41,107	314,584
2018	10,775	522,060	196,920	76,055	41,725	847,535
2019	37,534	196,920	96,800	36,894	76,909	445,057
2020	80,594	212,060	135,467	20,332	9,849	458,302

Source: District Records



**Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years  
Unaudited**

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction	10	10	10	10	10	10	12	7	7	5
Regular	57	59	61	59	59	49	50	46	45	44
Special Education instruction	145	140	135	142	142	142	94	81	73	63
Other special education instruction	5	4	5	4	4	4	2	-	-	-
Other instruction	4	-	-	-	-	-	-	-	-	-
Nonpublic school programs										
Support Services:										
Student & instruction related services	43	45	45	43	43	31	32	31	31	24
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	9	8	8	8	8	7	7	6	6	6
Business administrative services	13	12	12	12	12	12	12	11	11	9
Plant operations and maintenance	17	18	14	16	16	16	16	17	17	19
Pupil transportation	130	141	135	132	132	114	83	76	68	65
Food Service	9	9	9	8	8	6	6	5	5	5
<b>Total</b>	<b>444</b>	<b>448</b>	<b>436</b>	<b>436</b>	<b>436</b>	<b>393</b>	<b>316</b>	<b>282</b>	<b>265</b>	<b>242</b>

**Source: District Personnel Records**

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2011	457	19,473,436	42,611	0.16%	57	8:1	8.5:1	7.5:1	457	413	-3.79%	90.37%
2012	438	19,463,680	44,438	4.29%	59	7:1	7:1	7:1	438	400	-4.16%	91.32%
2013	439	21,550,106	49,089	10.47%	71	6:2:1	6:2:1	6:2:1	434	389	-0.91%	89.63%
2014	431	21,763,500	50,495	2.86%	69	6:1	6:1	6:5:1	431	389	-0.67%	90.12%
2015	406	21,727,341	53,516	5.98%	69	6:1	6:1	6:5:1	406	381	-5.82%	93.84%
2016	390	20,508,259	52,585	-1.74%	59	6:1	6:1	6:5:1	387	348	-4.68%	89.80%
2017	371	19,986,205	53,871	2.45%	62	6:1	6:1	6:5:1	365	329	-5.68%	90.14%
2018	345	23,825,006	69,058	28.19%	53	6:1	6:1	6:5:1	348	308	-4.66%	88.51%
2019	309	19,511,102	63,143	-8.57%	52	6:1	6:1	6:5:1	320	282	-8.05%	88.13%
2020	322	19,070,537	59,225	-6.20%	49	6:1	6:1	7:1	321	297	0.31%	92.52%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>District Building</b>										
<b>Main Campus - Mays Landing (2003)</b>										
Square Feet	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000
Capacity (students)	508	508	508	508	508	508	508	508	508	508
Enrollment	457	438	439	431	406	390	371	345	345	322
<b>Other Facilities</b>										
Transportation - Mays Landing										
Square Feet	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700

Number of Schools at June 30, 2020  
 Main Campus = 1  
 Other = 1

Source: District records, ASSA

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Years**  
***Unaudited***

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

School Facilities	Project # (s)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Mays Landing Campus	N/A	\$ 508,468	381,405	473,708	453,382	481,470	427,027	465,837	484,235	470,205	637,223
<b>Grand Total</b>		<b>\$ 508,468</b>	<b>381,405</b>	<b>473,708</b>	<b>453,382</b>	<b>481,470</b>	<b>427,027</b>	<b>465,837</b>	<b>484,235</b>	<b>470,205</b>	<b>637,223</b>

**Atlantic County Special Services School District**  
**Insurance Schedule**  
**June 30, 2020**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
Property, Inland Marine & Automobile Physical Damage Limit of Liability - per occurrence	120,884,996	5,000
Extra Expense	50,000,000	
Loss of Rents	152,200	
Loss of Business Income/Tuition	49,300,000	
Valuable Papers	10,000,000	
Public Official Bonds School Business Administrator	75,000	500
Comprehensive General Liability Coverage Limit	31,000,000	
Electronic Data Processing	3,000,000	1,000
Package Policy Crime Coverage	1,000,000	1,000
Board Member Accident Limit of Liability Aggregate	100,000 500,000	
Student Accident (Compulsory) Maximum Benefit	1,000,000	
Student Accident (Catastrophic) Maximum Benefit	5,000,000	25,000
Volunteer Accident Maximum Benefit	250,000	
Boiler and Machinery	100,000,000	5,000
Automobile Liability	31,000,000	1,000
Standard Worker's Compensation & Employer's Liability Policy Workers Compensation-Coverage A Employers' Liability Agreement-Coverage B	Statutory 2,000,000	
School Board Legal Liability Coverage A Coverage B each occurrence policy period	31,000,000 100,000 300,000	5,000 5,000
Pollution Liability per occurrence policy period	1,000,000 11,000,000	25,000 75,000
Cyber Risk Liability	2,000,000	20,000

Source: District Records.

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## **Single Audit Section**

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## **K-1 INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and  
Members of the Board of Education  
Atlantic County Schools for Special Services School District  
(a component unit of the County of Atlantic)  
Mays Landing, New Jersey

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District (a component unit of the County of Atlantic), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements, and have issued our report thereon dated December 22, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Atlantic County Schools for Special Services' (a component unit of the County of Atlantic) 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 prescribed by the Division of Finance, Department of Education, and State of New Jersey.

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

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

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**December 22, 2020**



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## **K-2 INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08**

Honorable President and  
Members of the Board of Education  
Atlantic County Special Services School District  
(a component unit of the County of Atlantic)  
Mays Landing, New Jersey

### **Report on Compliance for Each Major State Program**

We have audited the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance with the types of compliance requirements described in the Uniform Guidance and NJ OMB 15-08 that could have a direct and material effect on each of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major state programs for the year ended June 30, 2020. The Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major 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 state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major 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, New Jersey Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 state program. However, our audit does not provide a legal determination of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Atlantic County Special Services School District (a component unit of the County of Atlantic) 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 state programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of the Atlantic County Special Services School District (a component unit of the County of Atlantic) 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB Circular 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 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 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 Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

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

*Leon P. Costello*  
Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

December 22, 2020

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
 (A Component Unit of the County of Atlantic)  
**Schedule of Expenditures of Federal Awards**  
 For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019	Carryover Amount	Cash Received	Budgetary Expenditures			Adjustment	Repayment of Prior Years' Balances	Balance at June 30, 2020			
									Pass Through	Source	Direct			(MEMO) Passed Through to Sub-Recipients	Accounts Receivable	Deferred Revenue	Due to Grantor
<b>U.S. Department of Agriculture</b>																	
<b>Passed-through State Department of Education:</b>																	
Enterprise Fund:																	
Food Distribution Program	10.565	201NJ304N1099	N/A	7/1/19 - 6/30/20	18,675			18,675	(18,675)								
School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19 - 6/30/20	40,215	(4,287)		40,215	(40,215)								
National School Lunch Program	10.555	201NJ304N1099	N/A	7/1/19 - 6/30/20	73,714		73,714	(73,714)	(73,714)								
National School Lunch Program	10.555	191NJ304N1099	N/A	7/1/19 - 6/30/19	101,392	(7,799)		7,799	-								
						(12,086)		144,690	(132,604)								
Total U.S. Department of Agriculture																	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education:</b>																	
General Fund:																	
Special Education Medicaid Aid	93.776	2003NJ5MAP	N/A	7/1/19 - 6/30/20	187,186		187,186	(187,186)	(187,186)								
								187,186	(187,186)								
Total General Fund																	
Total Federal Financial Awards																	
								\$ (12,086)									
								\$ 331,876	(319,790)								

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
 (A Component Unit of the County of Atlantic)  
**Schedule of Expenditures of State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019			Balance at June 30, 2020			MEMO	
				Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable
<b>State Department of Educator</b>											
General Fund:											
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	7/1/18-6/30/19	512,090	(23,796)		23,796		-			512,090
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/19-6/30/20	497,472		472,654		(497,472)	(24,818)			497,472
On-Behalf TPAF Pension Contributions	20-495-034-5095-001	7/1/19-6/30/20	2,111,497		2,111,497		(2,111,497)				2,111,497
Total General Fund				(23,796)	-	2,607,947	(2,608,969)	(24,818)	-	-	3,121,059
<b>State Department of Agriculture</b>											
Enterprise Fund:											
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/18-6/30/20	1,406	(158)		1,406	(1,406)				1,406
National School Lunch Program (State Share)	19-100-010-3350-023	7/1/18-6/30/19	2,060		158						2,060
Total State Financial Assistance				(23,954)	-	2,609,511	(2,610,375)	(24,818)	-	-	3,124,525
Less: On-Behalf TPAF Pension Contributions:											
							(2,111,497)				
							(498,878)				

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

**Atlantic County Special Services School**  
**(A Component Unit of the County of Atlantic)**  
**Notes to the Schedules of Expenditures of Awards and Financial Assistance**  
**June 30, 2020**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The District has elected not to use the 10% de minimis indirect cost rule.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the accrual basis of accounting. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

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



**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2020**

	<u>General fund</u>	<u>Food service fund</u>	<u>Total</u>
<b>State Assistance:</b>			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 2,608,969	1,406	2,610,375
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			-
 Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	 <u>\$ 2,608,969</u>	 <u>1,406</u>	 <u>2,610,375</u>

**Atlantic County Special Services School  
(A Component Unit of the County of Atlantic)  
Notes to the Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2020**

	General Fund	Food Service Fund	Total
<b>Federal Assistance:</b>			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 187,186	132,604	319,790
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.			-
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 187,186</u>	<u>132,604</u>	<u>319,790</u>

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

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

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. For the Single Audit Determination, the State of New Jersey Department of Education requires the TPAF Pension contribution be included to determine if the District exceeds the \$750,000 threshold. This amount is then excluded from the major program determination. 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, 2020.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
(a component unit of the County of Atlantic)  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Exhibit K-6

*Part I -- Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
1) Material weakness(es) identified?	yes	<u> X </u>	no
2) Significant deficiencies identified that are not considered to be material weaknesses?	yes	<u> X </u>	none reported
Noncompliance material to basic financial statements noted?	yes	<u> X </u>	no

**Federal Awards Section**

**Not Applicable**

Internal Control over major programs:			
1) Material weakness(es) identified?	yes	_____	no
2) Significant deficiencies identified	yes	_____	none reported

Type of auditor's report on compliance for major programs \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	yes	_____	no
---	-----	-------	----

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs: \_\_\_\_\_

Auditee qualified as low-risk auditee?	yes	_____	no
--	-----	-------	----

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part I -- Summary of Auditor's Results*

**State Awards Section**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no

2) Significant deficiencies identified \_\_\_\_\_ yes  X  none reported

Type of auditor's report on compliance for major programs

\_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 15-08?

\_\_\_\_\_ yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

N) Dollar threshold used to determine Type A programs: \_\_\_\_\_  \$750,000  \_\_\_\_\_

O) Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

***Part 2 -- Schedule of Financial Statement Findings***

None

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

None

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

None

**STATUS OF PRIOR YEAR FINDINGS**

None