

**SCHOOL DISTRICT  
OF  
ATLANTIC CITY**

**Auditor's Management Report  
For the Fiscal Year Ended June 30, 2020**



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

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# FORD - SCOTT

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## REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Atlantic City School District in the County of Atlantic for the year ended June 30, 2020, and have issued our report thereon dated January 15, 2021.

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

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

*Ford, Scott & Associates, L.L.C.*

FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

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

January 15, 2021

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## **ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

### **Scope of Audit**

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

### **Administrative Practices and Procedures**

#### **Insurance**

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

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

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

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

#### **Tuition Charges**

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

#### **Financial Planning, Accounting and Reporting**

##### **Examination of Claims**

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

##### **Payroll Account**

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

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

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

Amounts withheld due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

### **Employee Position Control Roster**

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

### **Reserve for Encumbrances, Liability for Accounts Payable**

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

### **Travel**

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

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures.

In addition to randomly selecting a test sample, our sample selection targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. *General Classification Findings*  
None.

B. *Administrative Classification Findings*  
None.

### **Business Administrator / Board Secretary's Records**

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

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

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

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

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

### **Treasurer's Records**

The Board Treasurer's Records were in satisfactory condition.

All required reconciliations were performed.

All cash receipts were promptly deposited.

The Treasurers Records were in agreement with the Board Secretary.



### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2019-20 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

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

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

### **Other Special Federal and/or State Projects**

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

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

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

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

### **I.D.E.A. Part B**

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

### **T.P.A.F. Reimbursement**

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

### **TPAF Reimbursement to the State for Federal Salary Expenditures**

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

## **School Purchasing Programs**

### **Contracts and Agreements Requiring Advertisement for Bids**

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

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

The bid Thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000 for 2019-2020.

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

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

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

### **School Food Service**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No Exceptions noted.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company Sodexo and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable or Fixed Price contract/addendum were reviewed and audited. The Sodexo contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$597,017.00. The operating results provision has been met. All vendor discounts, rebates, and credits from Sodexo were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

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

Applications for free and reduced-price meals were reviewed for completeness and accuracy. The number of free and reduced-price meals claimed as served was compared to the number of valid applications /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced-price applications were completed and available for review.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

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

### **Student Body Activities**

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

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the district's procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

### **Facilities and Capital Assets**

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

### **Testing for Lead of All Drinking Water in Educational Facilities**

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

**Follow-Up on Prior Year Findings**

Not applicable.

**Acknowledgment**

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

Respectfully submitted,

*Ford, Scott & Associates, L.L.C.*

FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

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

January 15, 2021

**SCHEDULE OF MEAL COUNT ACTIVITY**  
**CITY OF ATLANTIC CITY SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Diff.</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch (Regular Rate)	Paid	29,461.00	29,461.00	-	0.4100	\$ -
	Reduced	23,088.00	23,088.00	-	3.1000	-
	Free	632,279.00	632,279.00	-	3.5000	-
Total		<u>684,828.00</u>	<u>684,828.00</u>	<u>-</u>		<u>\$ -</u>
School Breakfast Program (Severe Rate)	Paid	61,969.00	61,969.00	-	0.3100	\$ -
	Reduced	25,051.00	25,051.00	-	1.9000	-
	Free	632,046.00	632,046.00	-	2.2000	-
Total		<u>719,066.00</u>	<u>719,066.00</u>	<u>-</u>		<u>\$ -</u>
Dinner (Regular Rate)	Paid	-	-	-		\$ -
	Reduced	-	-	-		-
	Free	70,749.00	70,749.00	-	3.6475	-
Total		<u>70,749.00</u>	<u>70,749.00</u>	<u>-</u>		<u>\$ -</u>
TOTAL NET (OVER)/UNDER CLAIM						<u>\$ -</u>

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# NET CASH RESOURCE SCHEDULE

## Net cash resources DID exceed three months of expenditures Proprietary Funds - Food Service FYE 2020

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	1,860,528.08
B-4		Due from Other Gov'ts	-
B-4		Accounts Receivable	132,981.27
B-4		Investments	-
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(657,253.27)
B-4		Less Accruals	-
B-4		Less Due to Other Funds	-
B-4		Less Deferred Revenue	-
		<b>Net Cash Resources</b>	<b><u>1,336,256.08</u></b> (A)
 <b><u>Net Adj. Total Operating Expense:</u></b>			
B-5		Tot. Operating Exp.	5,020,855.89
B-5		Less Depreciation	<u>(67,516.00)</u>
		Adj. Tot. Oper. Exp.	<b><u>4,953,339.89</u></b> (B)
 <b><u>Average Monthly Operating Expense:</u></b>			
		B / 10	<b><u>495,333.99</u></b> (C)
 <b><u>Three times monthly Average:</u></b>			
		3 X C	<b><u>1,486,001.97</u></b> (D)

TOTAL IN BOX A	\$	1,336,256.08	
LESS TOTAL IN BOX D	\$	1,486,001.97	
NET	\$	<b><u>(149,745.89)</u></b>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

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

SOURCE - USDA resource management comprehensive review form

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ATLANTIC CITY SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2019

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled									
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on Private Schools		Reported on workpapers		Sample for Verification		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool	488	-	488	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	504	-	504	-	-	-	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
One	443	-	443	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Two	486	-	486	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Three	425	-	425	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Four	430	-	430	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Five	444	-	444	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Six	435	-	435	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Seven	409	-	409	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eight	428	-	428	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nine	470	-	470	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ten	380	-	380	-	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eleven	313	-	313	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Twelve	278	-	278	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (1-14+CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	5,933	-	5,933	-	-	-	273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	300	-	300	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Middle School	263	-	263	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - High School	275	-	275	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	838	-	838	-	-	-	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals	6,771	-	6,771	-	-	-	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Percentage Error							0.00%															0.00%

**ATLANTIC CITY SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	460.0	460.0	-	25	25	-	172	172	-	46	46	-
One	421.0	421.0	-	23	23	-	151	151	-	39	39	-
Two	460.0	460.0	-	25	25	-	154	154	-	40	40	-
Three	408.0	408.0	-	22	22	-	128	128	-	33	33	-
Four	410.0	410.0	-	22	22	-	83	83	-	22	22	-
Five	427.0	427.0	-	23	23	-	44	44	-	12	12	-
Six	412.0	412.0	-	22	22	-	30	30	-	8	8	-
Seven	378.0	378.0	-	20	20	-	25	25	-	7	7	-
Eight	410.0	410.0	-	22	22	-	38	38	-	10	10	-
Nine	388.0	388.0	-	21	21	-	39	39	-	10	10	-
Ten	321.0	321.0	-	17	17	-	40	40	-	10	10	-
Eleven	257.0	257.0	-	14	14	-	31	31	-	8	8	-
Twelve	216.0	216.0	-	12	12	-	21	21	-	5	5	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,968.0	4,968.0	-	268	268	-	956	956	-	250	250	-
Special Ed - Elementary	288.0	288.0	-	16	16	-	11	11	-	3	3	-
Special Ed - Middle School	252.0	252.0	-	14	14	-	3	3	-	1	1	-
Special Ed - High School	248.0	248.0	-	14	14	-	1	1	-	-	-	-
Subtotal	788.0	788.0	-	44	44	-	15	15	-	4	4	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	5,756.0	5,756.0	-	312	312	-	971	971	-	254	254	-
Percentage Error	0.00%			0.00%			0.00%			0.00%		

Transportation					
Reported on DRTS by DOE/County	Reported on DRTS by District	Sample Tested	Verified to Register	Errors	Percentage Error
1,345	1,345	223	223	-	-
88	88	14	14	-	-
8	8	3	3	-	-
46	46	7	7	-	-
156	156	25	25	-	-
1,643	1,643	272	272	-	-
Totals			0.00%		

(from dfrs) **Reported** 8.3 **Recalculated** 8.3

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

Percentage Error

ATLANTIC CITY SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident LEP NOT Low Income		Sample for Verification			
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	8	8	-	7	7	-
One	3	3	-	3	3	-
Two	3	3	-	3	3	-
Three	2	2	-	2	2	-
Four	3	3	-	3	3	-
Five	1	1	-	1	1	-
Six	-	-	-	-	-	-
Seven	4	4	-	3	3	-
Eight	1	1	-	1	1	-
Nine	10	10	-	9	9	-
Ten	7	7	-	6	6	-
Eleven	3	3	-	3	3	-
Twelve	2	2	-	2	2	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	47	47	-	43	43	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	47	47	-	43	43	-
Percentage Error			0.00%			0.00%

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2020**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2019-20 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>156,205,524.98</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>770,000.00</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decreased By:		
On-Behalf TPAF Pension & Social Security	\$ <u>23,919,090.32</u>	(B2a)
Assets Acquired Under Capital Leases	<u>-</u>	(B2b)
Adjusted 2019-20 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u><u>133,056,434.66</u></u>	(B3)
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]	\$ <u>2,661,128.69</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>2,661,128.69</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>425,830.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>3,086,958.69</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 06/30/20 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>60,309,902.97</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>3,045,965.44</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>8,987,412.11</u>	(C3)
Other Restricted Fund Balances ****	\$ <u>24,542,794.00</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ -	(C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2020 - August 1, 2020	\$ -	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u><u>23,733,731.42</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ <u>20,646,772.73</u>	(E)
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**Recapitulation of Excess Surplus as of June 30, 2020:**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>8,987,412.11</u>	(C3)
Reserved Excess Surplus ***	\$ <u>20,646,772.73</u>	(E)
Total [(C3) + (E)]	\$ <u><u>29,634,184.84</u></u>	(D)

**CITY OF ATLANTIC CITY SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ - (H)
Sale & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ <u>423,795.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>2,035.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u><u>425,830.00</u></u> (K)

\*\* This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

\*\*\* Amounts must agree to the June 30, 2020 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

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

\*\*\*\*\* Increase in Assigned Fund Balance-Unreserved-Designated for Subsequent Year's expenditures July 1, 2020 to August 1, 2020 resulting from decrease in state aid after adoption of 2019-20 district June 30, 2020 III-4.34 budget. Refer to the Commissioner's Broadcast of July 13, 2020 at the NJDOE Broadcast webpage <https://homerom5.doe.state.nj.us/broadcasts/> and to page I-4.2 of this Audit Program.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$ _____ -
Capital outlay for a district with a capital outlay cap waiver	\$ _____ -
Sale/lease-back reserve	\$ _____ -
Capital reserve	\$ <u>18,265,794.00</u>
Maintenance reserve	\$ <u>3,002,000.00</u>
Emergency reserve	\$ <u>1,000,000.00</u>
Tuition reserve	\$ <u>2,000,000.00</u>
School Bus Advertising 50% Fuel Offset Reserve – current year	\$ _____ -
School Bus Advertising 50% Fuel Offset Reserve –prior year	\$ _____ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____ -
Other state/government mandated reserve	\$ <u>275,000.00</u>
[Other Restricted Fund Balance not noted above] ****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u><u>24,542,794.00</u></u> (C4)

AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2020  
ATLANTIC CITY SCHOOL DISTRICT

Recommendations:

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

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