

**Annual Comprehensive
Financial Report**

of the

City of Atlantic City Board of Education

Atlantic County, New Jersey

For the Fiscal Year Ended June 30, 2022

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

March 14, 2023

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

Dear Board Members of the Atlantic City Board of Education:

The annual comprehensive financial report of the Atlantic City School District for the fiscal year which ended June 30, 2022 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: The Atlantic City School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Atlantic City Board of Education and all its schools constitute the District's reporting entity.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, Career Readiness as well as special education programs for handicapped children. The District completed the 2021-2022 fiscal year with an enrollment of students of 6,350. The following details the changes in the student enrollment of the District over the last ten years can be found on Schedule J-17 of this audit report.

2) ECONOMIC CONDITION AND OUTLOOK: The Atlantic City Board of Education maintained a surplus during the 2021-2022 fiscal year. This fund balance is infused into the budget to help stabilize the tax levy. The local tax levy represents approximately 50% of the total revenue supporting the general fund for the 2021-2022 fiscal year.

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

The District passed a bond referendum question in April 2009 in the amount of \$80,321,000 for the construction of two new schools, the Pennsylvania Ave. School and the Richmond Ave. School. Build America bonds were issued in July 2009 in the amount of \$50,321,000 and the remaining bond authorization in the amount of \$30,000,000 were issued in March of 2011. In addition, the district has refinanced all other eligible outstanding bond issues resulting in long term debt savings. This included the \$30,000,000 issued in March 2011 that was refunded on April 1, 2021.

3) INTERNAL ACCOUNTING CONTROLS: Management of the District requires establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principle (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District management.

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

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the District. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

6) DEBT ADMINISTRATION: At June 30, 2022 the District's outstanding debt issues totaled \$49,921,000.00 of general obligation bonds.

The District also completed a refunding of the 2011 Bonds in 2021. There was an estimated cost savings of approximately \$6.2 million dollars.

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

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

9) OTHER INFORMATION:

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

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

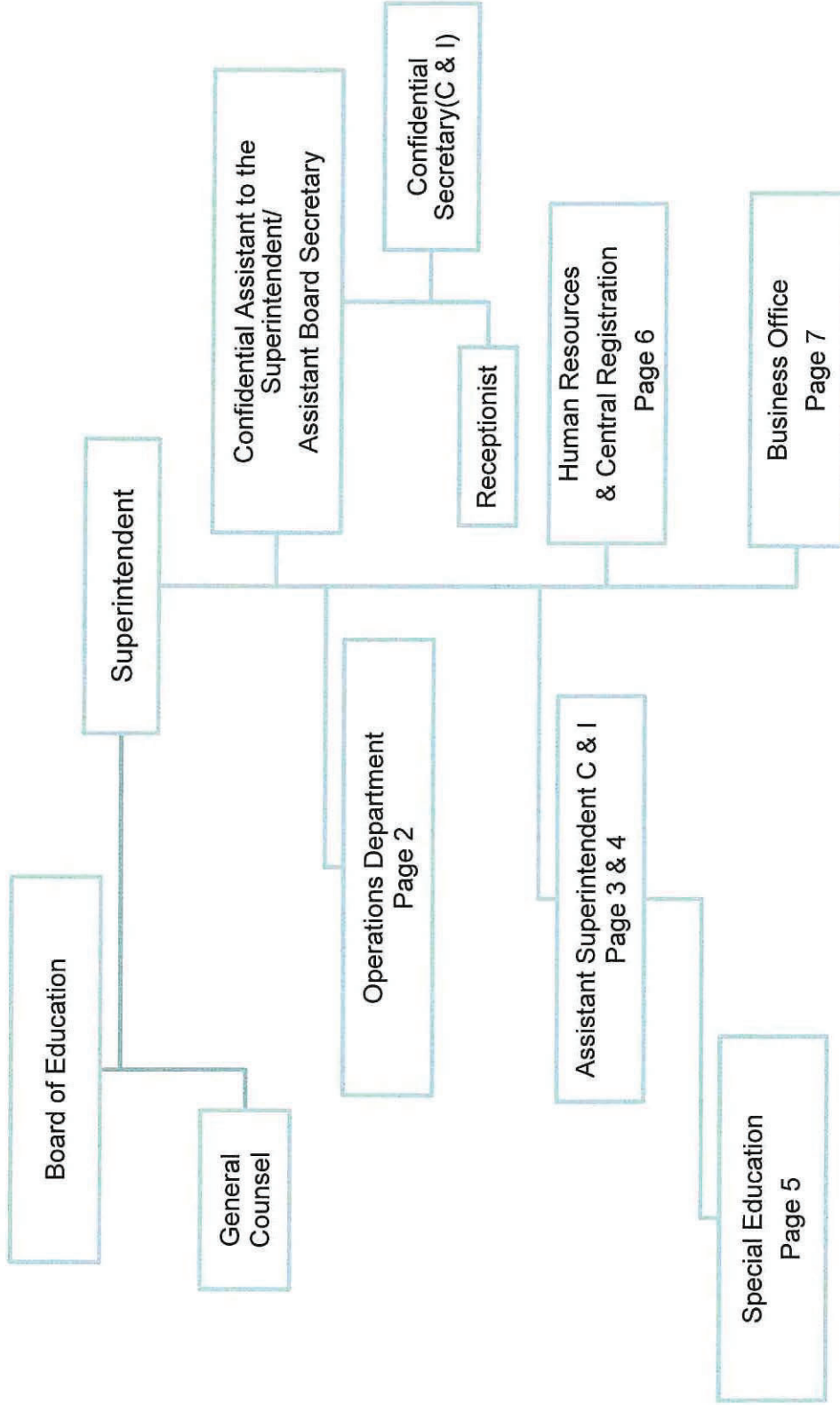
Respectfully submitted,

La'Quetta S. Small
Dr. La'Quetta S. Small
Superintendent of Schools

Celeste Ricketts
Celeste Ricketts
Business Administrator

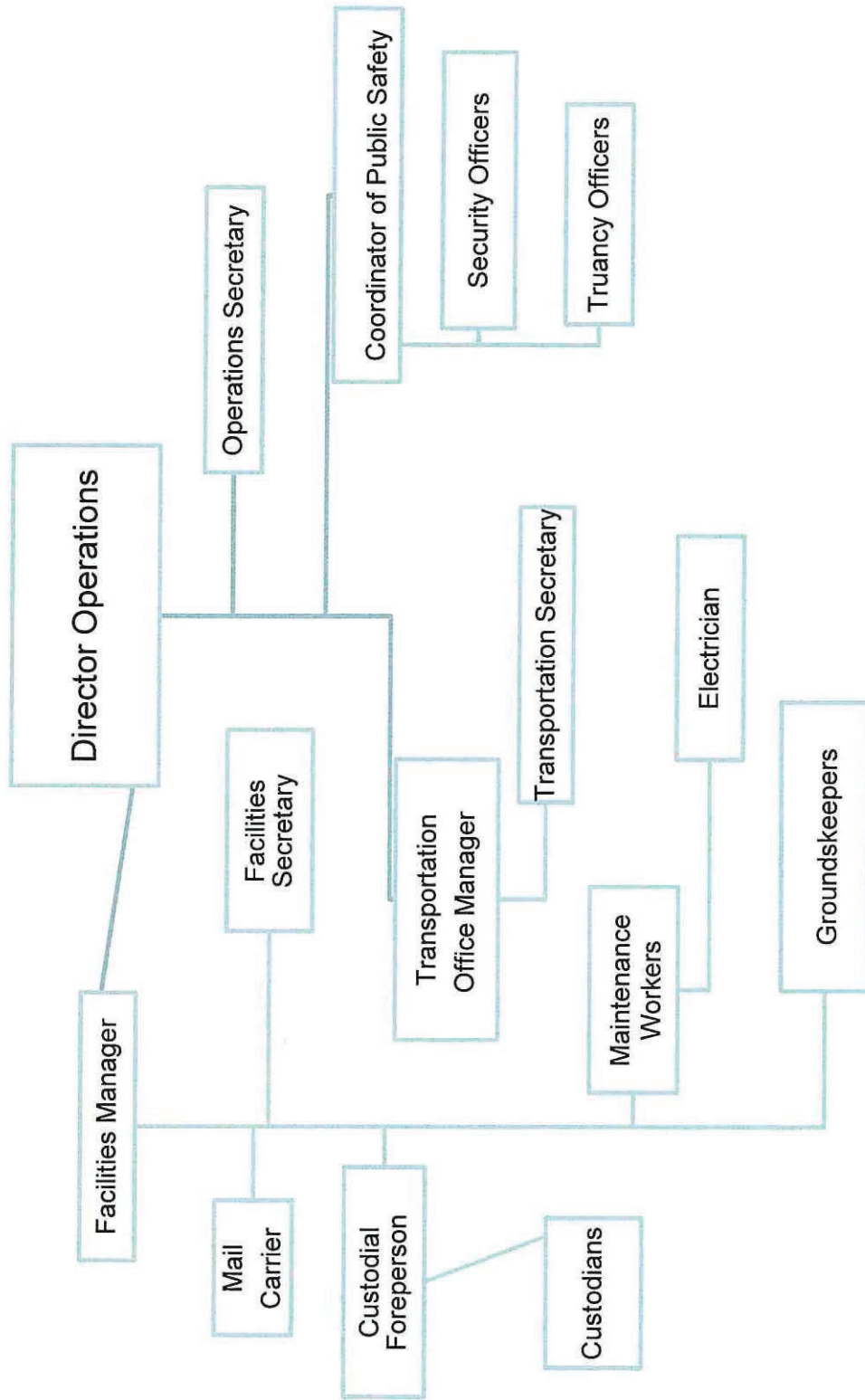
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ATLANTIC CITY BOARD OF EDUCATION

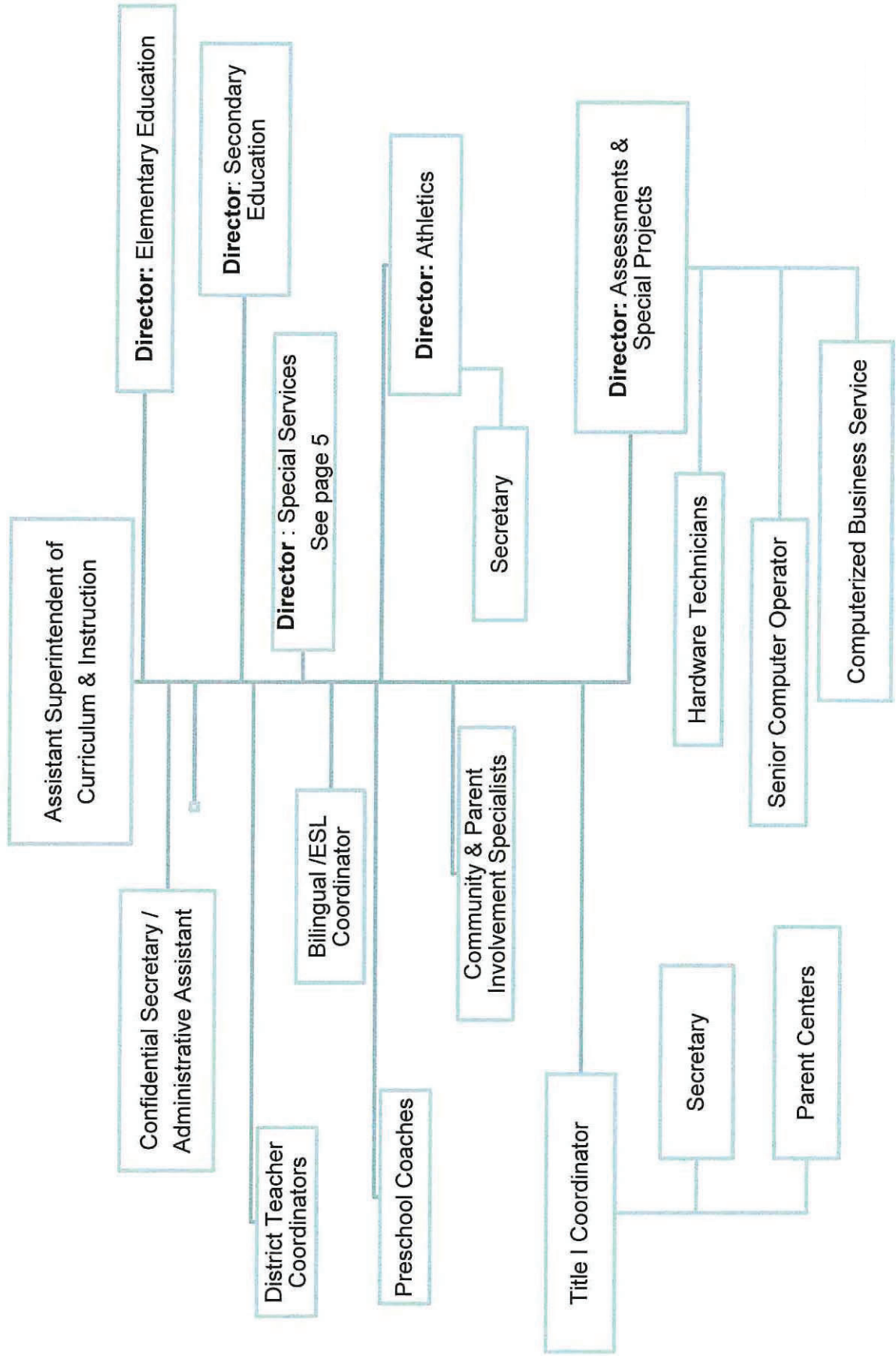


School Rosters
attached

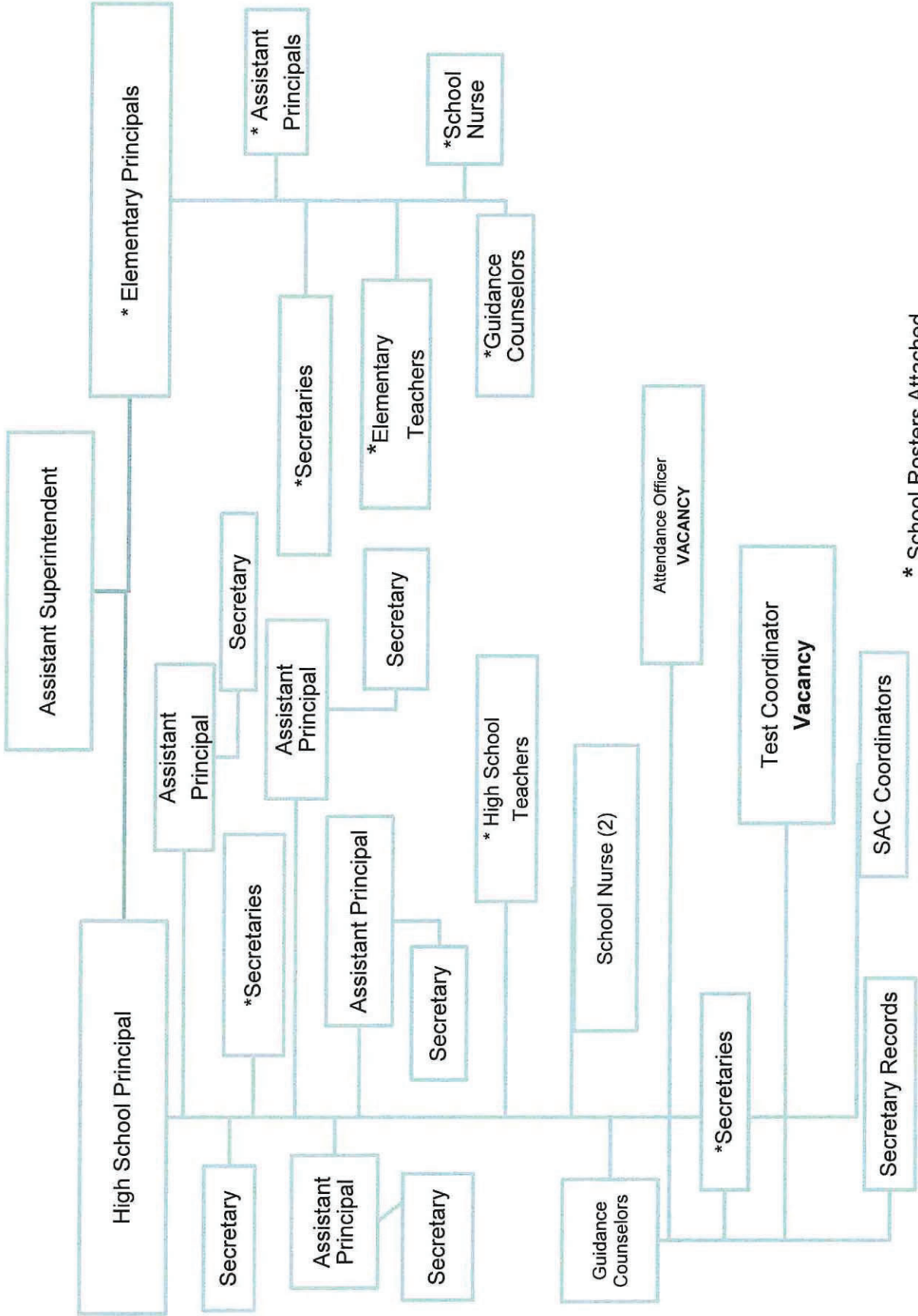
OPERATIONS



CURRICULUM & INSTRUCTION

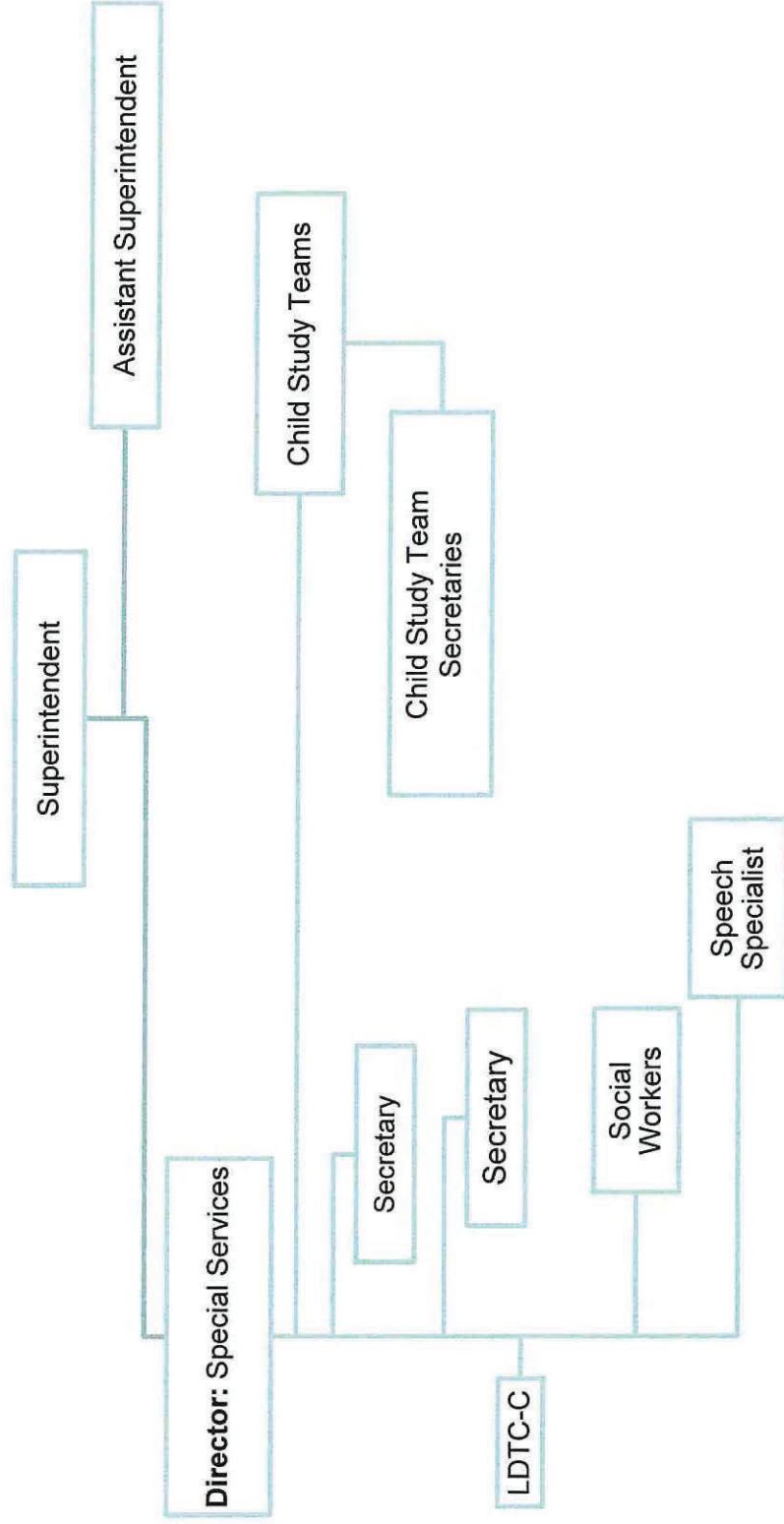


CURRICULUM & INSTRUCTION Continued

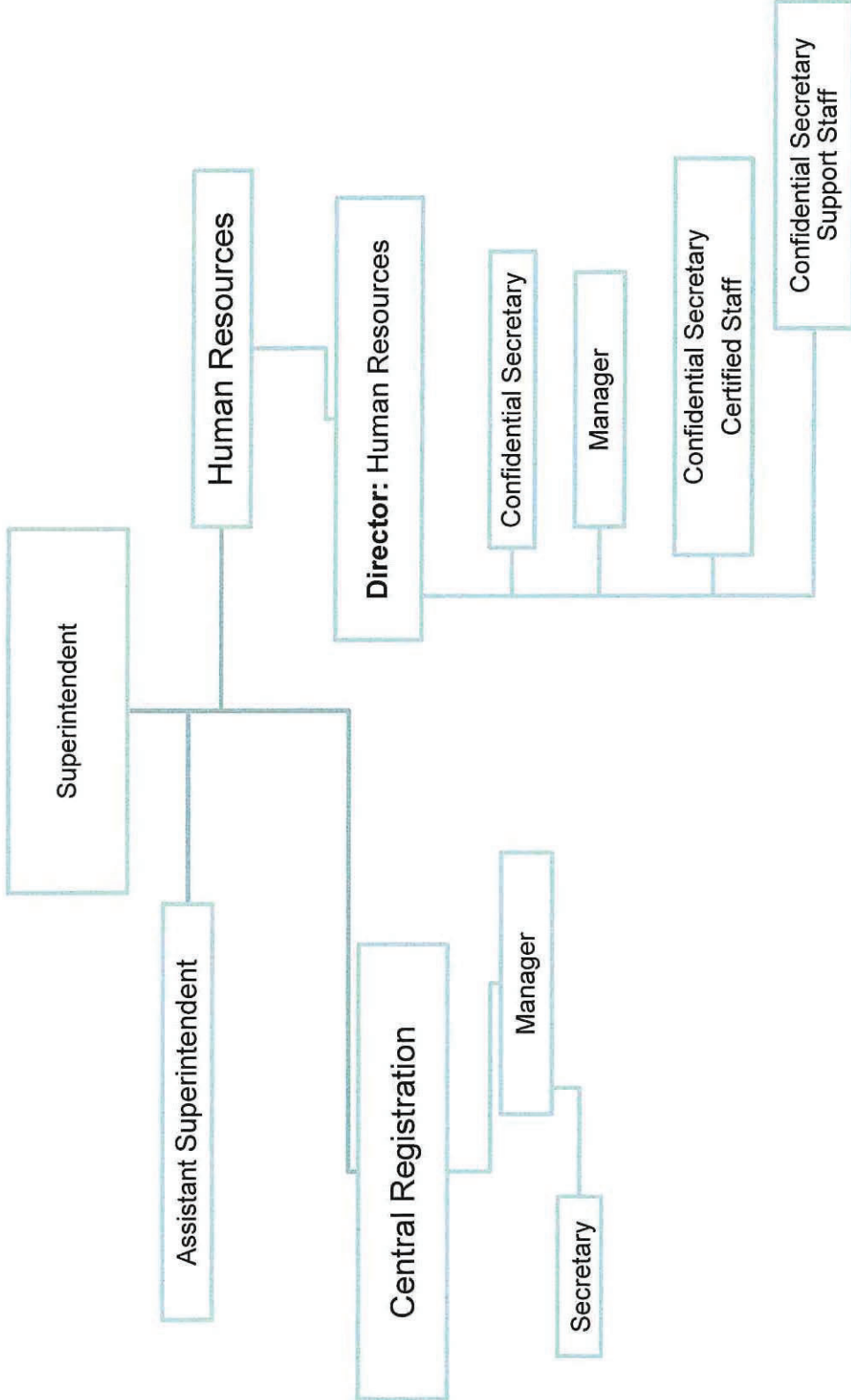


* School Rosters Attached

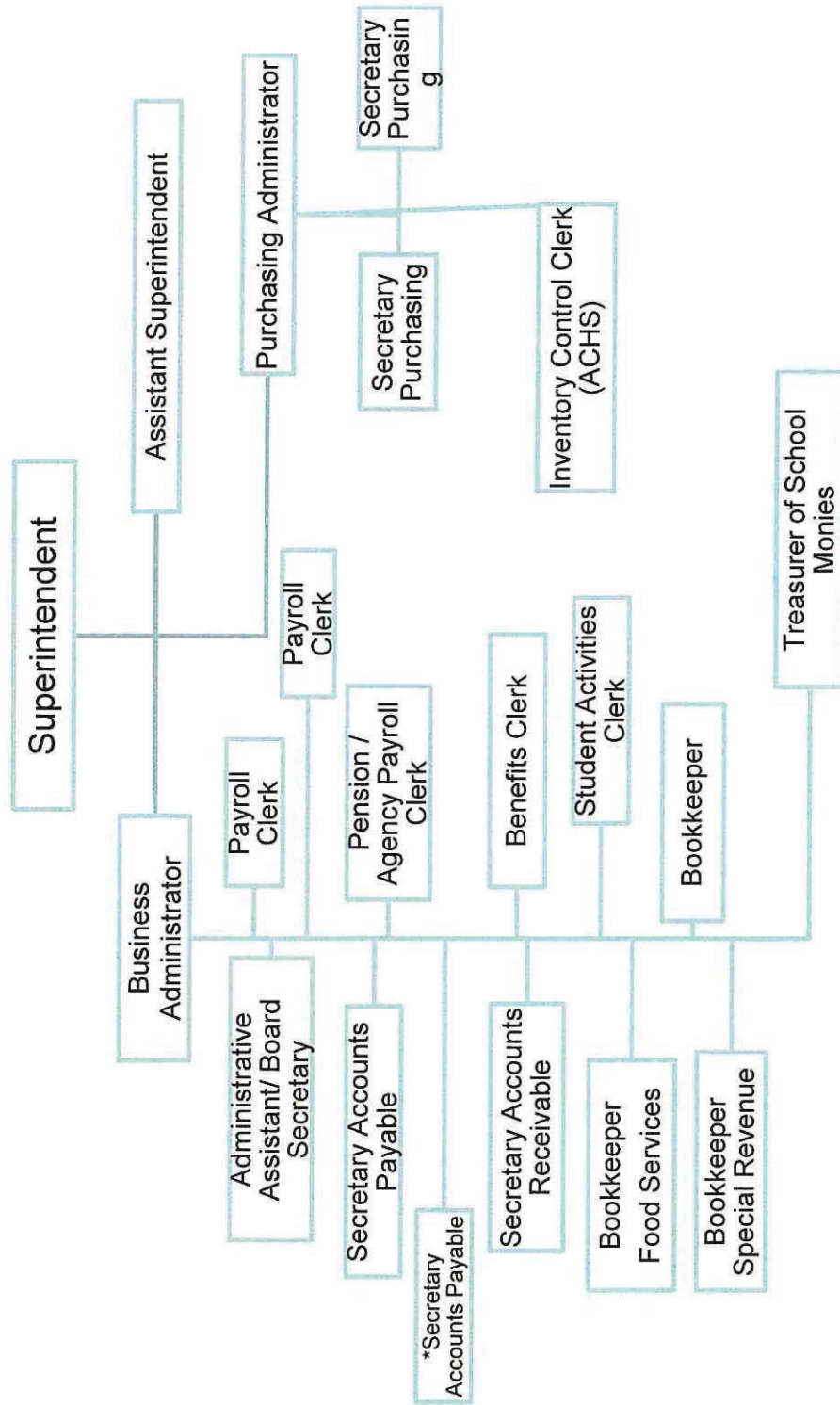
STUDENT & STAFF SERVICES



HUMAN RESOURCES & Central Registration



BUSINESS OFFICE



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

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2022**

MEMBERS OF BOARD OF EDUCATION

Shay Steele, President
Patricia Bailey, Vice President
Ruth Byard
Subrata Chowdhury
John A. Devlin
Albert Herbert
Kazi Islam
Walter Johnson
Torres Mayfield

STATE APPOINTED MONITOR

Carole Morris

SUPERINTENDENT

Dr. La'Quetta S. Small

BUSINESS ADMINISTRATOR

Celeste Ricketts

BOARD SECRETARY

Angela Brown

TREASURER OF SCHOOL MONIES

Joanne M. Shepherd

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

**CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2022**

INDEPENDENT AUDITOR

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

ATTORNEY

Tracy Riley – Law Offices of Riley & Riley
2 Eves Drive – Suite 109
Marlton, NJ 08053

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, NJ 07068

OFFICIAL DEPOSITARY

OceanFirst Bank

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantic City School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantic City School District, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Atlantic City School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Atlantic City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Atlantic City School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and 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 March 14, 2023 on our consideration of the City of Atlantic City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Atlantic City School District's internal control over financial reporting and compliance.

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

Michael S. Garcia

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

March 14, 2023

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Required Supplementary Information – Part I

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The discussion and analysis of City of Atlantic City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position increased \$41,678,212.20, which represents a 37 percent increase from 2021. The increase was mainly the result of State Aid received in the 21-22 school year and an increase in expenses for regular and special instruction, employee benefits, and capital purchases.
- General revenues accounted for \$178,836,756.83 in revenue or 77 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$54,900,624.75 or 23 percent of total revenues of \$233,737,381.58.
- Total governmental assets increased by \$32,277,099.46 as Cash and cash equivalents increased by \$5,241,287.85, receivables increased by \$22,870,862.68, and net capital assets increased by \$1,490,641.86.
- The School District had \$185,423,049.60 in expenses; \$54,900,624.75 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$178,836,756.83 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$215,795,002.28 in revenues and \$186,169,640.63 in expenditures. The General Fund's fund balance increased \$30,486,200.45 from 2021.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses.

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2022 and 2021.

**Table 1
Net Position**

	2022	2021
Assets		
Current and Other Assets	\$ 126,665,510.93	97,180,627.31
Capital Assets	138,374,093.99	134,273,309.06
Total Assets	265,039,604.92	231,453,936.37
 Deferred Outflow of Resources		
Loss of Refunding of Long Term Debt	-	1,413,087.58
Deferred Outflows Related to Pensions	658,006.00	2,947,752.00
	658,006.00	4,360,839.58
 Liabilities		
Long-Term Liabilities	71,468,128.03	81,433,715.84
Other Liabilities	22,585,421.12	24,571,917.54
Total Liabilities	94,053,549.15	106,005,633.38
 Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	16,242,267.00	16,085,560.00
 Net Position		
Invested in Capital Assets, Net of Debt	85,778,786.92	81,044,859.80
Restricted	99,851,989.15	73,916,246.15
Unrestricted	(30,228,981.30)	(41,237,523.38)
Total Net Position	\$ 155,401,794.77	113,723,582.57

The District's combined net position was \$155,401,794.77 on June 30, 2022. This was an increase of \$41,678,212.20 from the prior year.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

Table 2 shows changes in net assets for fiscal years 2022 and 2021.

**Table 2
Changes in Net Position**

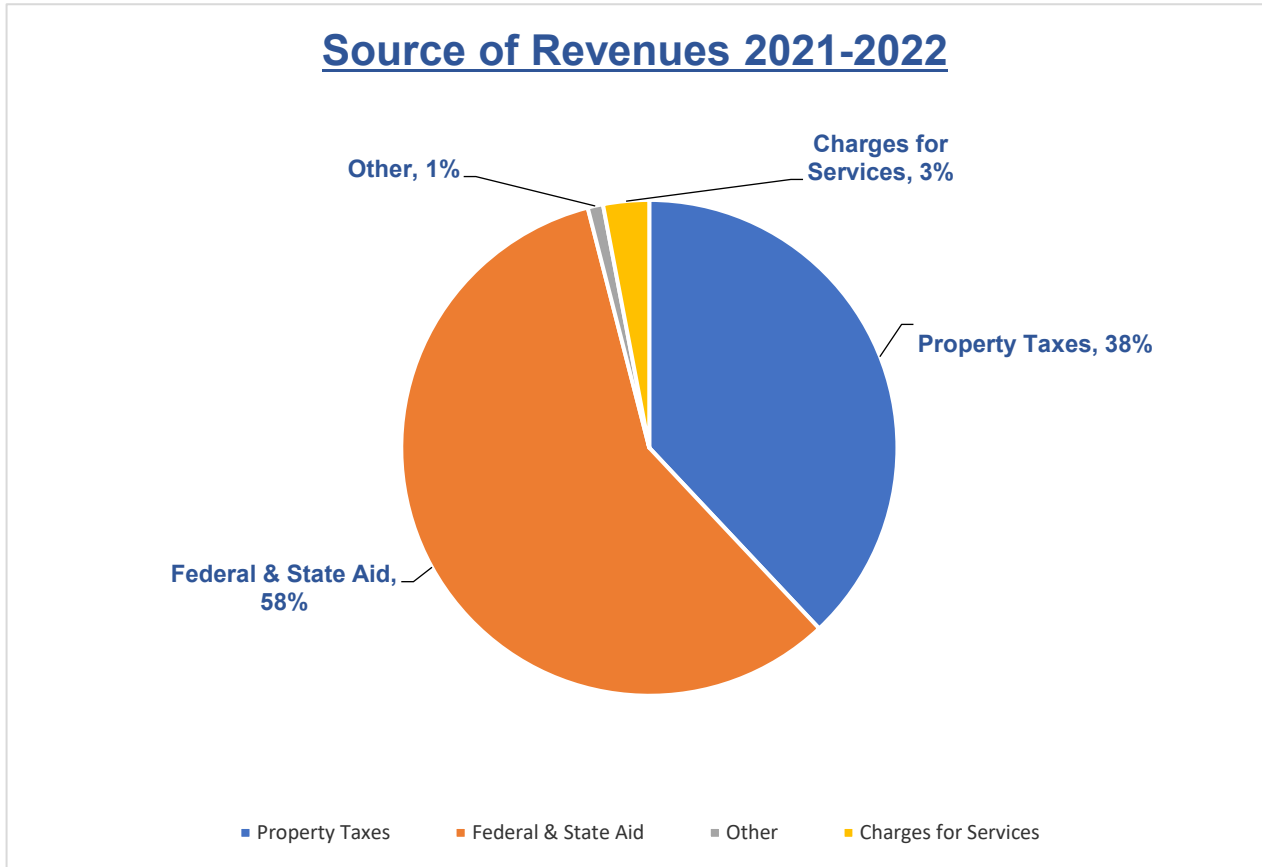
	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 6,401,809.12	7,414,610.40
Operating Grants and Contributions	48,498,815.63	70,633,182.93
General Revenues:		
Property Taxes	85,973,474.00	87,715,859.30
Grants and Entitlements	90,868,594.41	66,107,059.38
Other	1,994,688.42	1,892,124.93
Total Revenues	<u>233,737,381.58</u>	<u>233,762,836.94</u>
Program Expenses		
Instruction	109,022,015.64	126,799,544.68
Support Services:		
Tuition	16,654,651.10	16,286,772.91
Related Services - Pupils and Instructional Staff	27,671,198.17	32,783,554.13
General Administration, School Administration	7,458,947.80	10,082,407.47
Central Services and Maintenance of Facilities	15,983,976.89	21,902,883.06
Pupil Transportation	6,709,181.89	5,148,538.23
Interest on Debt	1,923,078.11	2,200,127.62
Food Service	6,632,929.78	2,278,469.40
Reading Recovery	3,190.00	3,335.00
Total Expenses	<u>192,059,169.38</u>	<u>217,485,632.50</u>
Adjustment to Fixed Assets	-	-
Increase in Net Position	<u>\$ 41,678,212.20</u>	<u>16,277,204.44</u>

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

Governmental Activities

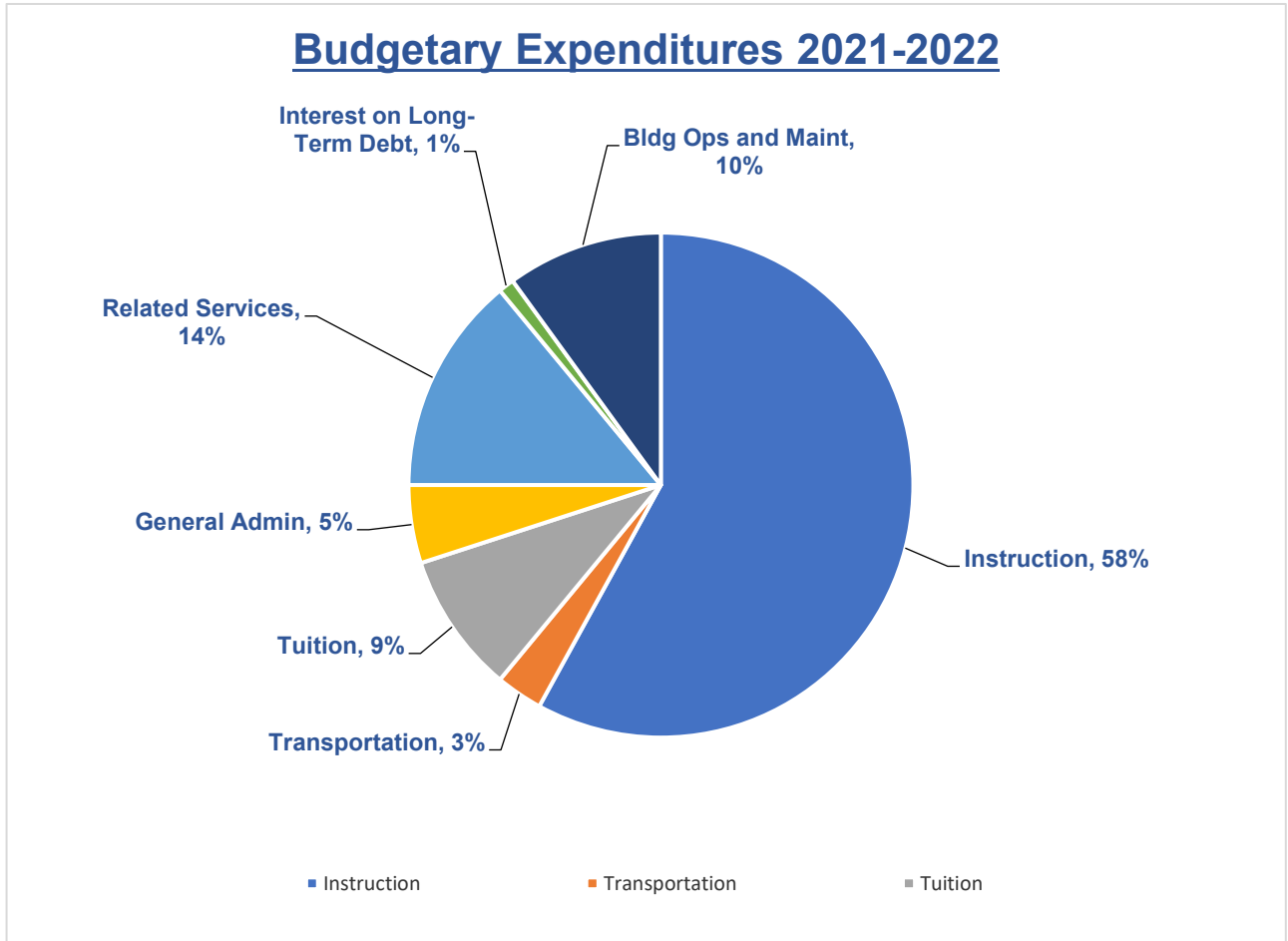
Property taxes made up 38 percent of revenues for governmental activities for the School District for fiscal year 2022. The District's total revenues were \$226,292,025.54 for the year ended June 30, 2022. Federal, state, and local grants accounted for another 58 percent of revenue.



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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

The total cost of all program and services was \$184,333,025.63. Instruction comprises 58 percent of District expenses.



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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

Business-Type Activities

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

- Revenues exceeded expenses by \$290,770.05.
- Charges for services represent \$271,654.35 of revenue. This represents amounts paid by patrons for daily food service fees.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$4,462,811.21.

Governmental Activities

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

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Instruction	\$ 109,022,015.64	74,106,894.94	\$ 126,799,544.68	71,720,239.85
Support Services:				
Tuition	16,654,651.10	16,654,651.10	16,286,772.91	16,286,772.91
Pupils and Instructional Staff	27,671,198.17	14,866,700.81	32,783,554.13	14,976,933.12
General Administration, School Administration	7,458,947.80	7,837,557.16	10,082,407.47	9,317,506.16
Business Operation and Maintenance of Facilities	15,983,976.89	16,361,513.88	21,902,883.06	20,030,412.66
Pupil Transportation	6,709,181.89	6,709,181.89	5,148,538.23	5,148,538.23
Capital Outlay	-	-	-	-
Interest and Fiscal Charges	1,923,078.11	1,431,281.11	2,200,127.62	1,711,839.62
Total Expenses	\$ 185,423,049.60	137,967,780.89	\$ 215,203,828.10	139,192,242.55

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

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

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

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

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

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

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, debt service fund and permanent fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues, not including other financing sources amounted to \$242,650,790.54 and expenditures were \$213,047,841.05. The net increase in fund balance for the year was \$29,602,949.49. This reflects the District's budgeted use of fund balance, the deferral of the final state aid payment, and the expenditure of Capital Project Funds for construction costs and the proceeds of bonds issued during the year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2021</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 94,369,343.22	38.89%	\$ (2,634,120.51)	-2.72%
State Sources	132,960,443.78	54.79%	32,666,417.69	32.57%
Federal Sources	15,321,003.54	6.31%	2,735,384.20	21.73%
Total	<u>\$ 242,650,790.54</u>	<u>100.00%</u>	<u>\$ 32,767,681.38</u>	<u>15.61%</u>

Local revenues decreased by \$2,634,120.51. The net increase in local revenue was predominately due to a decrease in Tuition charges compared to 2021.

State Sources increased \$32,666,417.69 mostly due to the additional Equalization Aid.

Federal Sources increased by \$2,735,384.20 mostly due aid related to the ESSER AND ESSER II funding.

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2021</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	\$ 77,586,508.79	36.42%	\$ 4,211,649.28	5.74%
Undistributed expenditures	123,460,455.12	57.95%	10,439,674.68	9.24%
Capital Outlay	6,928,346.64	3.25%	4,479,077.11	182.87%
Debt Service	5,072,530.50	2.38%	(3,244,189.48)	-39.01%
Total	<u>\$ 213,047,841.05</u>	<u>100.00%</u>	<u>\$ 15,886,211.59</u>	<u>8.06%</u>

Instructional expenses increased was predominately due to an increase in expenses for Regular and Special Education Instruction.

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

Capital outlay increased due to construction costs related to capital purchases for new projects and capital purchases for the Data center, custodial services, required maintenance, grounds, and security in the 21-22 school year.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2022, the School District had \$135,699,786.92 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2022 balances compared to 2021.

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

	2022	2021
Land	\$ 17,817,780.00	\$ 17,817,780.00
Building and Building Improvements	113,446,995.89	112,672,311.06
Machinery and Equipment	4,435,011.03	3,783,218.00
Total	\$ 135,699,786.92	\$ 134,273,309.06

Overall capital assets increased \$1,426,477.86 from fiscal year 2021 to fiscal year 2022. The increase in capital assets is due to depreciation charges being less than new capital purchases. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2022, the School District had \$49,921,000.00 of outstanding debt.

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

	2022	2021
2021 Refunding School Bonds	15,415,000.00	16,445,000.00
2019 General Obligation Refunding Bonds	34,506,000.00	36,528,000.00
Total	\$ 49,921,000.00	\$ 52,973,000.00

At June 30, 2022, the School District is within its legal debt capacity.

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**CITY OF ATLANTIC CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (CONTINUED)**

For the Future

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

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

Contacting the School District's Management

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

Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 90,196,674.79	\$ 1,880,561.82	\$ 92,077,236.61
Receivables, Net	33,390,072.73	1,165,348.77	34,555,421.50
Inventory		32,852.82	32,852.82
Right of Use Asset	2,674,307.07		2,674,307.07
Capital Assets, not Depreciated	17,817,780.00		17,817,780.00
Capital Assets, Net	117,347,044.92	534,962.00	117,882,006.92
Total Assets	261,425,879.51	3,613,725.41	265,039,604.92
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	658,006.00		658,006.00
Total Deferred Outflow of Resources	658,006.00	-	658,006.00
LIABILITIES			
Accounts Payable	12,218,750.00	484,225.15	12,702,975.15
Workers Compensation Claims Payable	4,005,688.93		4,005,688.93
Deferred Revenue	1,415,391.43	15,107.68	1,430,499.11
Due to the State	32,516.22		32,516.22
Accrued Interest	550,131.87		550,131.87
Noncurrent Liabilities			
Due Within One Year	3,863,609.84		3,863,609.84
Due Beyond One Year	50,660,558.03		50,660,558.03
Net Pension Liability	20,807,570.00		20,807,570.00
Total Liabilities	93,554,216.32	499,332.83	94,053,549.15
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	16,242,267.00	-	16,242,267.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	85,243,824.92	534,962.00	85,778,786.92
Restricted for:			
Capital Projects	61,197,636.02		61,197,636.02
Other Purposes	38,654,353.13		38,654,353.13
Unrestricted	(32,808,411.88)	2,579,430.58	(30,228,981.30)
Total Net Position	\$ 152,287,402.19	\$ 3,114,392.58	\$ 155,401,794.77

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Statement of Changes in Net Position
For the Year Ended June 30, 2022

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Direct Expenses	Allocated Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 38,067,750.60	\$ 25,282,687.34	\$ 6,180,801.79	\$ 9,361,079.22	\$ -	\$ (47,808,556.93)	\$ -	\$ (47,808,556.93)
Special Education	20,469,969.48	13,595,125.26		17,658,189.09		(16,406,905.65)		(16,406,905.65)
Other Special Instruction	6,974,422.17	4,632,060.79		1,715,050.60		(9,891,432.36)		(9,891,432.36)
Support Services:								
Tuition	16,654,651.10					(16,654,651.10)		(16,654,651.10)
Student & Instruction Related Services	16,627,829.35	11,043,368.82		12,804,497.36		(14,866,700.81)		(14,866,700.81)
General Administrative Services	2,056,882.41	577,947.64		(133,741.56)		(2,768,571.61)		(2,768,571.61)
School Administrative Services	3,765,951.79	1,058,165.96		(244,867.80)		(5,068,985.55)		(5,068,985.55)
Plant Operation and Maintenance	10,896,684.76	3,061,776.01		(274,723.65)		(14,233,184.42)		(14,233,184.42)
Pupil Transportation	6,709,181.89			(102,813.34)		(6,709,181.89)		(6,709,181.89)
Central and Info. Tech. Services	1,581,220.96	444,295.16				(2,128,329.46)		(2,128,329.46)
Unallocated Benefits	54,331,319.20	(54,331,319.20)				0.00		0.00
Unallocated Depreciation	5,364,107.78	(5,364,107.78)						
Interest on Long-Term Debt	1,923,078.11				491,797.00	(1,431,281.11)		(1,431,281.11)
Total Governmental Activities	185,423,049.60	(0.00)	6,180,801.79	40,782,669.92	491,797.00	(137,967,780.89)	-	(137,967,780.89)
Business-Type Activities:								
Food Service	6,632,929.78		220,107.33	7,224,348.71		-	811,526.26	811,526.26
Reading Recovery	3,190.00		900.00				(2,290.00)	(2,290.00)
Total Business-Type Activities	6,636,119.78	-	221,007.33	7,224,348.71	-	-	809,236.26	809,236.26
Total Primary Government	\$ 192,059,169.38	\$ (0.00)	\$ 6,401,809.12	\$ 48,007,018.63	\$ 491,797.00	\$ (137,967,780.89)	\$ 809,236.26	\$ (137,158,544.63)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net						\$ 36,558,958.00	\$ -	\$ 36,558,958.00
Taxes Levied for Debt Service						4,576,449.00		4,576,449.00
Casino PILOT						44,838,067.00		44,838,067.00
Federal and State Aid not Restricted						90,868,594.41		90,868,594.41
Miscellaneous Income						1,994,688.42		1,994,688.42
Transfers								
Total General Revenues						178,836,756.83		178,836,756.83
Total General Revenues, Special Items, Extraordinary Items and Transfers						178,836,756.83	-	178,836,756.83
Change in Net Position						40,868,975.94	809,236.26	41,678,212.20
Net Assets						111,418,426.25	2,305,156.32	113,723,582.57
Net Assets - Ending						\$ 152,287,402.19	\$ 3,114,392.58	\$ 155,401,794.77

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

FUND FINANCIAL STATEMENTS

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 89,438,677.91	\$ 227,568.08	\$ 9,667.00	\$ 520,761.80	\$ 90,196,674.79
Receivables from Federal and State Government	20,643,733.08	5,719,340.56			26,363,073.64
Other Receivables	7,026,999.09				7,026,999.09
Interfunds Receivable	3,379,696.20				3,379,696.20
Total Assets	<u>\$ 120,489,106.28</u>	<u>\$ 5,946,908.64</u>	<u>\$ 9,667.00</u>	<u>\$ 520,761.80</u>	<u>\$ 126,966,443.72</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 11,317,346.29	901,403.71			12,218,750.00
Due to State & Federal		32,516.22			32,516.22
Interfund Payable		3,370,029.20	9,667.00		3,379,696.20
Workers Compensation Claims Payable	4,005,688.93				4,005,688.93
Deferred Revenue		1,415,391.43			1,415,391.43
Total Liabilities	<u>15,323,035.22</u>	<u>5,719,340.56</u>	<u>9,667.00</u>	<u>-</u>	<u>21,052,042.78</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 18,285,545.12				18,285,545.12
Reserve for Excess Surplus	10,000,000.00				10,000,000.00
Special Revenue		227,568.08			227,568.08
Capital Projects			-		-
Debt Service				520,761.80	520,761.80
Capital Reserve	61,197,636.02				61,197,636.02
Tuition Reserve	2,000,000.00				2,000,000.00
Emergency Reserve	1,000,000.00				1,000,000.00
Unemployment Reserve	2,490,471.19				2,490,471.19
Committed Fund Balance:					
Other Purposes	4,650,768.74				4,650,768.74
Unassigned Fund Balance	5,541,649.99				5,541,649.99
Total Fund Balances (Deficits)	<u>105,166,071.06</u>	<u>227,568.08</u>	<u>-</u>	<u>520,761.80</u>	<u>105,914,400.94</u>
Total Liabilities and Fund Balances	<u>\$ 120,489,106.28</u>	<u>\$ 5,946,908.64</u>	<u>\$ 9,667.00</u>	<u>\$ 520,761.80</u>	

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

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

The cost of the assets is \$252,170,871.70 and the accumulated depreciation is \$117,006,046.78.

135,164,824.92

Right of Use Asset

2,674,307.07

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

(550,131.87)

Pension Liabilities Net of Deferred Outflows & Inflows

(36,391,831.00)

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

(54,524,167.87)

Net assets of governmental activities

\$ 152,287,402.19

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 36,558,958.00			\$ 4,576,449.00	\$ 41,135,407.00
Casino PILOT	44,838,067.00				44,838,067.00
Tuition Charges	6,180,801.79				6,180,801.79
Miscellaneous	1,981,064.94	220,379.01		13,623.48	2,215,067.43
Total Local Sources	89,558,891.73	220,379.01	-	4,590,072.48	94,369,343.22
State Sources	126,016,402.54	6,452,244.24		491,797.00	132,960,443.78
Federal Sources	219,707.81	15,101,295.73			15,321,003.54
Total Revenues	<u>215,795,002.08</u>	<u>21,773,918.98</u>	<u>-</u>	<u>5,081,869.48</u>	<u>242,650,790.54</u>
EXPENDITURES					
Current:					
Regular Instruction	45,083,915.22				45,083,915.22
Special Education Instruction	11,586,477.85	12,656,256.58			24,242,734.43
Other Special Instruction	8,259,859.14				8,259,859.14
Support Services and Undistributed Costs:					
Tuition	16,654,651.10				16,654,651.10
Student & Instruction Related Serv.	10,976,841.49	8,715,618.31			19,692,459.80
General Administrative Services	2,930,415.53				2,930,415.53
School Administrative Services	5,365,306.04				5,365,306.04
Plant Operation and Maintenance	15,524,375.16				15,524,375.16
Pupil Transportation	6,709,181.89				6,709,181.89
Central and Info. Tech. Services	2,252,746.40				2,252,746.40
Unallocated Employee Benefits	54,331,319.20				54,331,319.20
Debt Service:					
Principal				3,052,000.00	3,052,000.00
Interest and Other Charges				2,020,530.50	2,020,530.50
Capital Outlay	6,494,551.61	433,795.03			6,928,346.64
Total Expenditures	<u>186,169,640.63</u>	<u>21,805,669.92</u>	<u>-</u>	<u>5,072,530.50</u>	<u>213,047,841.05</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>29,625,361.45</u>	<u>(31,750.94)</u>	<u>-</u>	<u>9,338.98</u>	<u>29,602,949.49</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	860,839.00				860,839.00
Transfer out			(860,839.00)		(860,839.00)
Total Other Financing Sources and Uses	<u>860,839.00</u>	<u>-</u>	<u>(860,839.00)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	30,486,200.45	(31,750.94)	(860,839.00)	9,338.98	29,602,949.49
Fund Balance - July 1	74,679,870.61	259,319.02	860,839.00	511,422.82	76,311,451.45
Fund Balance (Deficit) - June 30	<u>\$ 105,166,071.06</u>	<u>\$ 227,568.08</u>	<u>\$ -</u>	<u>\$ 520,761.80</u>	<u>\$ 105,914,400.94</u>

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 29,602,949.49
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (5,364,107.78)	
Capital Outlay	6,854,749.64	1,490,641.86
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS	2,058,318.61	
Cost of benefits earned net of employee contributions	4,531,837.39	6,590,156.00
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds		3,052,000.00
<p>Governmental funds report the effect of gain or loss on the refunding of debt, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of long-term debt related items.</p>		
Amortization of Deferred Amount on Refunding (Loss)		255,449.26
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(37,820.80)
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		(84,399.87)
Change in Net Assets of Governmental Activities		\$ 40,868,975.94

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2022

	Business-Type Activities - Enterprise Fund		Totals
	Food Service	Reading Recovery	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,841,717.60	\$ 38,844.22	\$ 1,880,561.82
Accounts Receivable - Federal	1,114,945.03		1,114,945.03
Accounts Receivable - State	15,379.04		15,379.04
Accounts Receivable - Other	35,024.70		35,024.70
Inventories	32,852.82		32,852.82
Total Current Assets	<u>3,039,919.19</u>	<u>38,844.22</u>	<u>3,078,763.41</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	1,732,492.00		1,732,492.00
Less: Accumulated Depreciation	(1,197,530.00)		(1,197,530.00)
Total Noncurrent Assets	<u>534,962.00</u>	<u>-</u>	<u>534,962.00</u>
 Total Assets	 <u><u>\$ 3,574,881.19</u></u>	 <u><u>\$ 38,844.22</u></u>	 <u><u>\$ 3,613,725.41</u></u>
LIABILITIES			
Current Liabilities:			
Deferred Revenue	15,107.68		15,107.68
Accounts Payable	\$ 484,225.15		\$ 484,225.15
Total Current Liabilities	<u>499,332.83</u>	<u>-</u>	<u>499,332.83</u>
NET ASSETS			
Invested in Capital Assets Net of Related Debt	534,962.00	-	534,962.00
Unrestricted	2,540,586.36	38,844.22	2,579,430.58
Total Net Assets	<u><u>\$ 3,075,548.36</u></u>	<u><u>\$ 38,844.22</u></u>	<u><u>\$ 3,114,392.58</u></u>

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund		
	Food Service	Reading Recovery	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ -	\$ -	\$ -
Daily Sales - Non Reimbursable Programs	220,107.33		220,107.33
Program Fees		900.00	900.00
Total Operating Revenue	<u>220,107.33</u>	<u>900.00</u>	<u>221,007.33</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	2,511,122.03		2,511,122.03
Cost of Sales - Non Reimbursable Programs	58,559.36		58,559.36
Salaries	2,561,097.31		2,561,097.31
Employee Benefits	22,821.72		22,821.72
Management Fee	351,932.33		351,932.33
Professional Development Services		800.00	800.00
Insurance & Other Non Controllable Costs	235,495.42		235,495.42
Direct Costs	827,737.61		827,737.61
Travel			-
Miscellaneous		2,390.00	2,390.00
Depreciation	64,164.00		64,164.00
Total Operating Expenses	<u>6,632,929.78</u>	<u>3,190.00</u>	<u>6,636,119.78</u>
Operating Income (Loss)	<u>(6,412,822.45)</u>	<u>(2,290.00)</u>	<u>(6,415,112.45)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	87,236.99		87,236.99
Federal Sources:			
National School Lunch Program	3,547,048.51		3,547,048.51
CACF - Dinner Program	260,282.34		260,282.34
EM Schools	642,593.60		642,593.60
School Breakfast Program	2,044,298.13		2,044,298.13
Fresh Fruit and Vegetable Program	260,757.34		260,757.34
Food Distribution Program	382,131.80		382,131.80
Total Nonoperating Revenues (Expenses)	<u>7,224,348.71</u>	<u>-</u>	<u>7,224,348.71</u>
Income (Loss) before Contributions & Transfers	811,526.26	(2,290.00)	809,236.26
Changes in Net Assets	811,526.26	(2,290.00)	809,236.26
Total Net Assets - Beginning	2,264,022.10	41,134.22	2,305,156.32
Total Net Assets - Ending	<u>\$ 3,075,548.36</u>	<u>\$ 38,844.22</u>	<u>\$ 3,114,392.58</u>

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund		
	Food Service	Reading Recovery	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 224,531.01	\$ 900.00	\$ 225,431.01
Payment for Salaries	(2,561,097.31)		(2,561,097.31)
Payments for Benefits	(22,821.72)		(22,821.72)
Payments for Suppliers	(3,470,621.60)	(3,190.00)	(3,473,811.60)
Net Cash Provided by (Used for) Operating Activities	<u>(5,830,009.62)</u>	<u>(2,290.00)</u>	<u>(5,832,299.62)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal and State Sources	6,295,492.82		6,295,492.82
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>6,295,492.82</u>	<u>-</u>	<u>6,295,492.82</u>
Net Increase (Decrease) in Cash and Cash Equivalents	465,483.20	(2,290.00)	463,193.20
Balance - Beginning of Year	1,376,234.40	41,134.22	1,417,368.62
Balance - End of Year	<u>\$ 1,841,717.60</u>	<u>\$ 38,844.22</u>	<u>\$ 1,880,561.82</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (6,412,822.45)	\$ (2,290.00)	\$ (6,415,112.45)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	64,164.00		64,164.00
(Increase) Decrease in Inventories	30,000.00		30,000.00
Increase (Decrease) in Accounts Payable	484,225.15		484,225.15
Increase (Decrease) in Deferred Revenue	15,107.68		15,107.68
(Increase) Decrease in Accounts Receivable	(10,684.00)		(10,684.00)
Total Adjustments	<u>582,812.83</u>	<u>-</u>	<u>582,812.83</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,830,009.62)</u>	<u>\$ (2,290.00)</u>	<u>\$ (5,832,299.62)</u>

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

Notes to the Financial Statements

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

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

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program and reading recovery funds are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and reading recovery). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

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

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District. This fund also includes Student Activities, Athletics, and Scholarship.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Fund Balances – Governmental Funds

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

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

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

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

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- b. The District's Enterprise Funds are comprised of the Food Service Fund and the Reading Recovery Fund.

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

D. BASIS OF ACCOUNTING

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

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

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

E. BUDGETS/BUDGETARY CONTROL

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

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

Undistributed Expenditures	
Tuition to Private Sch for the Disabled	(700,739.00)
Undist. Expend. - Supp. Serv. - General Admin	
Judgements Against the District	(307,476.79)
Undist. Expend. - Improv of Instructional Services	
Purchased Prof - Education Services	(707,790.00)
Undist. Expend. - Required Maint. School Fac.	
Cleaning, Repair and Maint Service	1,754,467.40
Undist. Expend. - Custodial Services	
Cleaning, Repair and Maint Service	284,000.00
Energy (Energy and Electricity)	(368,937.00)
Undist. Expend. - Student Transportation Serv.	
Contract Serv - Other than Home & Sch Vendors	(412,929.50)
Contract Serv - Sp. Ed. Joint Agreements	566,258.03
Unallocated Benefits	
Other Retirement Contrib - PERS	(441,681.39)
Capital Outlay	
Undistributed - Support Serv - Custodial	410,500.00
Undistributed - Support Serv - Required Maint	1,558,467.25

F. ENCUMBRANCE ACCOUNTING

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

G. ASSETS, LIABILITIES AND EQUITY

Cash, Cash Equivalents and Investments

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

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

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

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

Investments

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

Inter-fund Transactions

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

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

Inventories

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets

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

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

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

Compensated Absences

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

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

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

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

Deferred Revenue

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accrued Liabilities and Long-Term Obligations

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

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

Net Position

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

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

Fund Balance Reserves

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

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenues – Exchange and Non-exchange Transactions

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Pensions

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Extraordinary and Special Items

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

Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

Tuition Payable

Tuition charges for the fiscal years 2021/22 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Management Estimates

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

H. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for fiscal periods beginning after December 15, 2020, may have an effect on the District’s financial reporting.

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, which is effective for fiscal periods beginning after December 31, 2022, 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 31, 2022, 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, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, 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 and Public-Public Partnerships and Availability Payment Arrangements”. This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, 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, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, will not have any effect on the District’s financial reporting.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, will not have any effect on the District’s financial reporting.

In October 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 98, “The Annual Comprehensive Financial Report”. This statement, which is effective for fiscal years ending after December 15, 2022, will have an effect on the District’s financial statements.

NOTE 2 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$760,007.02 of the government’s bank balance of \$96,665,108.20 was exposed to custodial credit risk.

At June 30, 2022, the carrying amount of the District’s deposits (cash and cash equivalents) was \$92,077,236.61 and the bank balance was \$96,665,108.20.

As of June 30, 2022, the District’s bank balance was exposed to custodial credit risk as follows:

	Cash and Cash Equivalents
FDIC Insured	\$ 250,000.00
GUDPA Insured	95,655,101.18
Uninsured	760,007.02
	\$ 96,665,108.20

NOTE 4 - INVESTMENTS

As of June 30, 2022, the District had no investments. However, if the District had investments, they would be subject to the following risks.

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 4 – INVESTMENTS - Continued

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 5 – RECEIVABLES

Receivables at June 30, 2022, consisted of other receivables (tuition, taxes and other), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 26,363,073.64	\$ 27,528,422.41
Tuition and Transportation	469,354.09	469,354.09
Tax Levy	6,557,645.00	6,557,645.00
Other	-	-
Gross Receivables	33,390,072.73	34,555,421.50
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 33,390,072.73	\$ 34,555,421.50

NOTE 6 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2022, consisted of the following:

Food	\$ 35,852.82
	\$ 35,852.82

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 17,817,780.00	\$	\$ 17,817,780.00
Total capital assets not being depreciated	<u>17,817,780.00</u>	<u>-</u>	<u>17,817,780.00</u>
Capital assets being depreciated:			
Buildings and building improvements	175,900,208.00	5,529,506.27	181,429,714.27
Equipment	51,598,134.06	1,325,243.37	52,923,377.43
Total capital assets being depreciated at historical cost	<u>227,498,342.06</u>	<u>6,854,749.64</u>	<u>234,353,091.70</u>
Less accumulated depreciation for:			
Buildings and improvements	(84,516,019.00)	(4,754,821.44)	(89,270,840.44)
Equipment	<u>(27,125,920.00)</u>	<u>(609,286.34)</u>	<u>(27,735,206.34)</u>
Subtotal accumulated depreciation	(111,641,939.00)	(5,364,107.78)	(117,006,046.78)
Total capital assets being depreciated, net of accumulated depreciation	<u>115,856,403.06</u>	<u>1,490,641.86</u>	<u>117,347,044.92</u>
Governmental activity capital assets, net \$	<u>133,674,183.06</u>	<u>\$ 1,490,641.86</u>	<u>\$ 135,164,824.92</u>
Business-type activities:			
Capital assets being depreciated:			
Equipment	\$ 1,732,492.00	\$	\$ 1,732,492.00
Less accumulated depreciation	(1,133,366.00)	(64,164.00)	(1,197,530.00)
Enterprise Fund capital assets, net	<u>\$ 599,126.00</u>	<u>\$ (64,164.00)</u>	<u>\$ 534,962.00</u>

Depreciation is charged to governmental functions as follows:

Regular Instruction	\$ 1,960,530.44
Special Education	1,054,225.62
Other Special Instruction	359,190.30
Student & Instructional Related Services	856,351.24
General Administrative Services	127,432.78
School Administrative Services	233,317.04
Plant Operation & Maintenance	675,096.87
Central Services	97,963.49
	<u>\$ 5,364,107.78</u>

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Issues or Additions	Payments or Expenditures	Balance June 30, 2022	Amounts Due Within One Year
Compensated Absences	\$ 1,891,040.00	\$ 37,820.80		\$ 1,928,860.80	\$ -
Net Pension Liability	29,844,173.00		9,036,603.00	20,807,570.00	-
Leases Payable		3,293,318.12	619,011.05	2,674,307.07	741,609.84
Bonds Payable	52,973,000.00	-	3,052,000.00	49,921,000.00	3,122,000.00
	<u>\$ 84,708,213.00</u>	<u>\$ 3,331,138.92</u>	<u>\$ 12,707,614.05</u>	<u>\$ 75,331,737.87</u>	<u>\$ 3,863,609.84</u>

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

Bonds Payable

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

Description of Bonds Payable

At June 30, 2022, bonds payable consisted of the following issues:

\$39,039,000.00 Refunding Bonds, bonds dated May 22, 2019 payable in annual installments through August 15, 2034. Interest is payable semiannually at rates varying from 3.400% to 4.150%. The remaining balance as of June 30, 2022 is \$34,506,000.00.

\$16,445,000.00 Refunding Bonds, bonds dated May 1, 2022 payable in annual installments through August 15, 2034. Interest is payable semiannually at 4.000%. The remaining balance as of June 30, 2022 is \$15,415,000.00.

Debt service requirements on bonds payable at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	3,122,000.00	1,909,477.50	5,031,477.50
2024	3,241,000.00	1,795,691.50	5,036,691.50
2025	3,343,000.00	1,677,428.50	5,020,428.50
2026	3,453,000.00	1,555,956.50	5,008,956.50
2027	3,570,000.00	1,430,445.50	5,000,445.50
2028-2032	19,912,000.00	4,946,330.75	24,858,330.75
2033-2035	13,280,000.00	899,349.00	14,179,349.00
	-		-
	<u>\$ 49,921,000.00</u>	<u>\$ 14,214,679.25</u>	<u>\$ 64,135,679.25</u>

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 9 – 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 <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>.

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 beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has 36 employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2022.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 9 – PENSION PLANS - Continued

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.

Contribution Requirements

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

The School District's contributions to TPAF for the years ending June 30, 2022, 2021 and 2020 were \$0, \$0, and \$0 respectively, and paid by the State of New Jersey on behalf of the board. The State of New Jersey did not make the required contributions for the last three years. The School District's contributions to PERS for the years ending June 30, 2022, 2021, and 2020 were \$2,058,319.00, \$2,002,039.00 and \$1,833,438.00, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2022, 2021, and 2020, the State of New Jersey contributed \$29,730,752.00, \$23,205,167.00 and \$18,385,642.00, respectively, to the TPAF for post-retirement medical benefits and NCGI Premium on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$5,636,763.94, \$4,568,455.86 and \$4,652,177.33, respectively during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Significant Legislation

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 9 – PENSION PLANS - Continued

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

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

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

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

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

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 10: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The District has a liability of \$20,807,570.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. 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, 2021, the District's proportion would be 0.17564319890%, which would be an decrease of 4.03% from its proportion measured as of June 30, 2020.

The District recognized pension expense of \$4,533,165. The District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 328,162	148,958
Changes of assumptions	108,366	7,407,630
Changes in proportion	221,478	3,204,418
Net difference between projected and actual earnings on pension plan investments		5,481,261
 Total	 \$ 658,006	 16,242,267

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

	Year ended June 30,
2022	\$ (6,071,883)
2023	(4,335,310)
2024	(2,955,942)
2025	(2,221,990)
2026	864
 Total	 \$ (15,584,261)

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 10: PUBLIC EMPLOYEES' RETIREMENT SYSTEM - Continued

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods 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 Pub-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 disable retirees were based on the Pub-2010 Non-Safety Disabled 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 10: PUBLIC EMPLOYEES' RETIREMENT SYSTEM - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 24,781,758	20,807,570	17,439,699

Pension plan fiduciary net position.

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 11 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2021, 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		<u>286,671,703.00</u>
Total	\$	<u>286,671,703.00</u>

The net pension liability was measured as of June 30, 2021 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, 2021, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$6,745,511.00 and revenue of \$6,745,511.00 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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% - 4.45% (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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 11 - TEACHERS' PENSION AND ANNUITY FUND (TPAF) – Continued

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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	7.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments 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 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 11 - TEACHERS' PENSION AND ANNUITY FUND (TPAF) – Continued

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
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.

Additional Information

Collective balances of the local group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	6,373,530,834
Deferred inflows of resources		27,363,797,906
Net pension liability		48,165,991,182

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$1,133,366,912.

NOTE 12 – OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 54:14-17.26 provides that for purposes of the State Retired OPEB Plan, and employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 12 – OTHER POST-RETIREMENT BENEFITS - Continued

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The state is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The State, a non-employer 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 LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA 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/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage [:https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf](https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf)

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 12 – OTHER POST-RETIREMENT BENEFITS - Continued

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State’s most recently issued ACFR 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/ABP	PERS	PFRS
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	Applied to all future years

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2021 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the period July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.7% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially .01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025, and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 12 – OTHER POST-RETIREMENT BENEFITS - Continued

Discount Rate –

The discount rate for June 30, 2021 was 2.16%. 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.

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at 6/30/21 (Based on 6/30/2020 measurement date)	\$ 67,809,962,608.00
Changes for the year:	
Service cost	3,217,184,264.00
Interest	1,556,661,679.00
Changes in Benefit Terms	(63,870,842.00)
Differences between Expected & Actual Experiences	(11,385,071,658.00)
Changes in assumptions or other inputs	59,202,105.00
Contributions: Member	39,796,196.00
Benefit payments	<u>(1,226,213,382.00)</u>
Net changes	<u>(7,802,311,638.00)</u>
Balance at 6/30/22 (Based on 6/30/2021 measurement date)	<u>\$ 60,007,650,970.00</u>

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

The following presents the total OPEB liability as of June 20, 2021, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability (School Retirees)	71,879,745,555.00	60,007,650,970.00	50,659,089,138.00

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

The following presents the total OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	48,576,388,417.00	60,007,650,970.00	75,358,991,782.00

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$16,892,754 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.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 12 – OTHER POST-RETIREMENT BENEFITS - Continued

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, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees’ OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,045,886,863.00	(18,009,362,976.00)
Changes of assumptions	10,179,536,966.00	(6,438,261,807.00)
 Total	 \$ 19,225,423,829.00	 \$ (24,447,624,783.00)

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

Year ended June 30,	
2022	\$ (1,182,303,041.00)
2023	(1,182,303,041.00)
2024	(1,182,303,041.00)
2025	(1,182,303,041.00)
2026	(840,601,200.00)
Thereafter	347,612,410.00
Total	\$ (5,222,200,954.00)

(Contributions made after June 30 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.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 13 – COMPENSATED ABSENCES

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

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

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

NOTE 14 – DEFERRED COMPENSATION

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

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 15 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the district carries commercial insurance, with the exception of workers compensation.

Property and Liability Insurance – The District is self insured for workers compensation. The District has commercial coverage for surety bonds and employee health insurance. The following is the activity for the years ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>
	<u>Worker Compensation</u>	<u>Worker Compensation</u>	<u>Worker Compensation</u>
Beginning of Year:			
Unencumbered Reserve	\$ 4,005,688.93	\$ 4,005,688.93	\$ 4,005,688.93
Other	-	-	-
Funded by Budget Appropriation	-	-	-
	<u>4,005,688.93</u>	<u>4,005,688.93</u>	<u>4,005,688.93</u>
 Paid	 -	 -	 -
End of Year	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>
Analysis of Balance			
Unencumbered Reserve	\$ 4,005,688.93	\$ 4,005,688.93	\$ 4,005,688.93
Encumbrances/Payables	-	-	-
	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>	<u>\$ 4,005,688.93</u>

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2021-2022	\$ 254,805.15	\$ 127,402.47	\$ (245,394.51)	\$ 2,490,471.19
2020-2021		111,663.82	(231,844.38)	2,353,658.08
2019-2020		113,558.37	(172,066.56)	2,473,838.64

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 16 – INTERFUNDS

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

The following interfund balances remained on the balance sheet at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,379,696.20	\$
Special Revenue Fund		3,370,029.20
Capital Projects Fund		9,667.00
	\$ 3,379,696.20	\$ 3,379,696.20

The General Fund receivable is comprised of an inter-fund due from the Special Revenue Fund. The inter-fund receivable was primarily a result of prior year audit adjustments where money needs to be transferred from Fund 20 to Fund 10. The inter-fund between Fund 10 and Fund 30 is interest earned due back to Fund 10. There is also a large interfund between the general fund and capital projects due to spending in the capital project fund that is not yet transferred from general fund.

NOTE 17 – CAPITAL RESERVE ACCOUNT

The Board of Education established a capital reserve account during the 2000 / 2001 year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Through Board Resolution, the District transferred \$9,052,137.00 to capital reserve. Therefore, the total balance at June 30, 2022 was \$61,197,636.02.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve account is as follows:

Beginning balance, July 1, 2021	\$ 27,317,931.00
Increase:	
Budgeted Amount 2021-22	15,174,124.00
Board Resolution 6/14/2022	18,705,581.02
Ending balance, June 30, 2022	\$ 61,197,636.02

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 18 – EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$	1,000,000.00
		<hr style="width: 100%;"/>
Ending balance, June 30, 2022	\$	<u>1,000,000.00</u>

NOTE 19 – MAINTENANCE RESERVE ACCOUNT

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

The activity of the Maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$	-
Increase:		
Budgeted Amount		5,001,000.00
Board Resolution dated 06/14/2022		1,000,000.00
		<hr style="width: 100%;"/>
		6,001,000.00
Ending balance, June 30, 2022	\$	<u>6,001,000.00</u>

NOTE 20 – TUITION RESERVE ACCOUNT

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

Beginning balance, July 1, 2021	\$	2,000,000.00
Increase:		
Board Resolution dated 6/14/2022:		1,000,000.00
Decrease:		
Transfer to General Fund		(1,000,000.00)
		<hr style="width: 100%;"/>
Ending balance, June 30, 2021	\$	<u>2,000,000.00</u>

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 21 – DEFICIT UNRESTRICTED NET POSITION

The School District had a deficit in unrestricted net position of (\$30,228,981.30) as of June 30, 2022. This deficit was attributable to the Net Pension Liability, the liability for compensated absences as well as the June State Aid Payment as noted above.

NOTE 22 – FUND BALANCE

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

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

Specific classifications of fund balance are summarized below;

Restricted Fund Balance

Reserve for Excess Surplus Designated – There was excess fund balance from the previous year in the amount of \$18,285,545.12 at June 30, 2022. This amount has been appropriated as revenue in support of the 2022-23 School Budget.

Capital Projects - \$0.00 is restricted for expenditures related to the Projects authorized by the 2009 Referendum.

Capital Reserve - There is \$61,197,636.02 balance in the Capital Reserve account at June 30, 2022.

Tuition Reserve - There is \$2,000,000.00 balance in the Tuition Reserve account at June 30, 2022.

Emergency Reserve - There is \$1,000,000.00 balance in the Emergency Reserve account at June 30, 2022.

Unemployment Reserve - There is \$2,490,471.19 balance in the Emergency Reserve account at June 30, 2022.

Committed Fund Balance - The District's Committed Fund balance for other purposes of \$4,650,768.74 consists of encumbrances in the amount of \$4,375,768.74 and \$275,000.00 reserved to pay future death benefits for employees.

Assigned Fund Balance – At June 30, 2022, the District has assigned \$0.00 of general fund balances to expenditures in the 2021-22 budget.

Unassigned Fund Balance – At June 30, 2022, the District has an excess of \$5,541,649.99 of unassigned fund balance in the general fund.

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 23 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$10,000,000.00.

NOTE 24 – ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and the Casino PILOT Program to fund the District operations and debt service. Property Taxes and the Casino PILOT funded 35% of the Districts 2021-2022 governmental operations. Properties in one industry, the gaming industry, are responsible for more than half of the combined Property tax and Casino PILOT revenue to the District.

NOTE 25 – RIGHT TO USE ASSETS

The school district has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The district has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

The district has recorded right to use leased assets as listed below. The assets are right to use assets for leased equipment and the Administration Building.

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	\$	394,213.32	-	394,213.32
Administration Building		2,280,093.75	-	2,280,093.75
Right to use assets, net	\$	<u>2,674,307.07</u>	<u>-</u>	<u>2,674,307.07</u>

NOTE 26 – LITIGATION

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

NOTE 27 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 through March 14, 2023 the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

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Required Supplementary Information – Part II

Budgetary Comparison Schedules

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 36,558,958.00	\$ -	\$ 36,558,958.00	\$ 36,558,958.00	\$ -
Casino PILOT	44,838,067.00		44,838,067.00	44,838,067.00	-
Tuition - Sending Districts	6,379,587.00		6,379,587.00	5,987,051.95	(392,535.05)
Tuition - Other			-	193,749.84	193,749.84
Interest Earned			-	83,419.60	83,419.60
Miscellaneous Revenues	120,726.00		120,726.00	1,897,645.34	1,776,919.34
Total Local Sources	87,897,338.00	-	87,897,338.00	89,558,891.73	1,661,553.73
State Sources:					
Categorical Transportation Aid	1,390,702.00		1,390,702.00	1,390,702.00	-
Categorical Special Education Aid	5,620,334.00		5,620,334.00	5,620,334.00	-
Equalization Aid	55,153,032.00		55,153,032.00	55,153,032.00	-
Categorical Security Aid	3,248,102.00		3,248,102.00	3,248,102.00	-
Adjustment Aid	7,482,500.00		7,482,500.00	7,482,500.00	-
School Choice Aid	80,052.00		80,052.00	80,052.00	-
Extraordinary Aid			-	372,553.00	372,553.00
Commercial Valuation Stabilization Aid	20,000,000.00		20,000,000.00	20,000,000.00	-
Non Public Transportation Aid			-	23,780.00	23,780.00
TPAF Pension (On-Behalf - Non-Budgeted) :					
Pension Contribution			-	24,095,433.00	24,095,433.00
Post Retirement Medical			-	5,629,667.00	5,629,667.00
Long Term Disability			-	5,652.00	5,652.00
TPAF Social Security (Reimbursed- Non-Budgeted)	-		-	5,636,763.94	5,636,763.94
Total State Sources	92,974,722.00	-	92,974,722.00	128,738,570.94	35,763,848.94
Federal Sources:					
Impact Aid	41,750.00		41,750.00	94,803.61	53,053.61
SEMI	245,944.00		245,944.00	124,904.20	(121,039.80)
Total Federal Sources	287,694.00	-	287,694.00	219,707.81	(67,986.19)
Total Revenues	181,159,754.00	-	181,159,754.00	218,517,170.48	37,357,416.48
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool / Kindergarten - Salaries of					
Teachers	2,489,277.00		2,489,277.00	2,316,959.08	172,317.92
Grades 1 - 5 Salaries of Teachers	12,768,867.00	145,222.00	12,914,089.00	12,914,088.04	0.96
Grades 6 - 8 Salaries of Teachers	9,576,062.00	(61,960.00)	9,514,102.00	9,514,101.52	0.48
Grades 9 - 12 Salaries of Teachers	11,076,241.00	(156,000.00)	10,920,241.00	10,852,230.76	68,010.24
Regular Programs - Home Instruction					
Salaries of Teachers	293,089.00		293,089.00	293,088.68	0.32
Purchased Professional - Education Services	55,000.00		55,000.00	8,823.64	46,176.36
Regular Programs - Undistributed Instruction					
Salaries	409,951.00	85,502.31	495,453.31	481,980.79	13,472.52
Other Salaries for Instruction	140,049.00	5,535.69	145,584.69	140,167.07	5,417.62
Purchased Professional - Education Services	6,352,482.00	(128,700.00)	6,223,782.00	4,898,234.15	1,325,547.85
Purchased Technical Services	713,500.00	102,574.00	816,074.00	696,941.10	119,132.90
Other Purchased Services (400-500 series)	907,525.00	101,000.00	1,008,525.00	785,697.62	222,827.38
Travel		9,400.00	9,400.00	800.35	8,599.65
General Supplies	2,331,728.00	37,189.74	2,368,917.74	1,903,328.00	465,589.74
Textbooks	663,055.00	(19,746.56)	643,308.44	277,041.44	366,267.00
Other Objects	11,200.00	100.00	11,300.00	432.98	10,867.02
TOTAL REGULAR PROGRAMS - INSTRUCTION	47,788,026.00	120,117.18	47,908,143.18	45,083,915.22	2,824,227.96

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	689,354.00	(3,934.00)	685,420.00	601,583.82	83,836.18
Other Salaries for Instruction	104,188.00	3,934.00	108,122.00	108,122.00	-
Other Purchased Services (400-500 series)	2,000.00		2,000.00		2,000.00
General Supplies	12,000.00		12,000.00	2,478.36	9,521.64
Total Learning and/or Language Disabilities	807,542.00	-	807,542.00	712,184.18	95,357.82
Cognitive Mild					
Salaries of Teachers	196,421.00	37,459.00	233,880.00	233,879.93	0.07
Other Salaries for Instruction	128,729.00	(32,015.00)	96,714.00	96,714.00	-
Other Purchased Services (400-500 series)	1,000.00		1,000.00		1,000.00
General Supplies	3,500.00		3,500.00	1,884.16	1,615.84
Other Objects	1,000.00		1,000.00		1,000.00
Total Cognitive Mild	330,650.00	5,444.00	336,094.00	332,478.09	3,615.91
Cognitive Moderate					
Salaries of Teachers	240,782.00		240,782.00	185,960.88	54,821.12
Other Salaries for Instruction	92,407.00		92,407.00	38,432.82	53,974.18
Purchased Technical Services			-		-
Other Purchased Services (400-500 series)	52,000.00	(11,182.00)	40,818.00		40,818.00
General Supplies	10,800.00	(2,000.00)	8,800.00	1,920.51	6,879.49
Total Cognitive Moderate	395,989.00	(13,182.00)	382,807.00	226,314.21	156,492.79
Auditory Impairments					
Salaries of Teachers	562,821.00		562,821.00	553,802.00	9,019.00
Other Purchased Services (400-500 series)	2,000.00		2,000.00		2,000.00
General Supplies	3,900.00		3,900.00		3,900.00
Total Auditory Impairments	568,721.00	-	568,721.00	553,802.00	14,919.00
Behavioral Disabilities					
Salaries of Teachers	97,472.00	5,738.00	103,210.00	103,210.00	-
Total Behavioral Disabilities	97,472.00	5,738.00	103,210.00	103,210.00	-
Autism					
Salaries of Teachers	276,004.00	48,579.92	324,583.92	324,583.92	-
Other Salaries for Instruction	189,828.00	(43,021.37)	146,806.63	146,806.63	-
Other Purchased Services (400-500 series)	11,000.00	(5,558.55)	5,441.45		5,441.45
General Supplies	12,500.00		12,500.00	1,508.75	10,991.25
Other Objects	2,000.00		2,000.00		2,000.00
Total Autism	491,332.00	-	491,332.00	472,899.30	18,432.70
Multiple Disabilities					
Salaries of Teachers	1,952,749.00	(41,169.60)	1,911,579.40	1,756,238.03	155,341.37
Other Salaries for Instruction	695,942.00	41,169.60	737,111.60	680,233.68	56,877.92
General Supplies	34,600.00		34,600.00	11,555.24	23,044.76
Total Multiple Disabilities	2,683,291.00	-	2,683,291.00	2,448,026.95	235,264.05

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	7,057,279.00		7,057,279.00	5,957,407.92	1,099,871.08
Other Salaries for Instruction	355,000.00		355,000.00	241,853.10	113,146.90
General Supplies	50,650.00		50,650.00	13,693.05	36,956.95
Total Resource Room/Resource Center	7,462,929.00	-	7,462,929.00	6,212,954.07	1,249,974.93
Preschool Disabilities -Full-Time					
Salaries of Teachers	403,275.00		403,275.00	364,660.60	38,614.40
Other Salaries for Instruction	194,488.00		194,488.00	147,483.68	47,004.32
Other Purchased Services (400-500 series)	5,000.00		5,000.00	2,404.00	2,596.00
General Supplies	10,500.00	2,000.00	12,500.00	10,060.77	2,439.23
Total Preschool Disabilities - Full-Time	613,263.00	2,000.00	615,263.00	524,609.05	90,653.95
TOTAL SPECIAL EDUCATION - INSTRUCTION	13,451,189.00	-	13,451,189.00	11,586,477.85	1,864,711.15
Basic Skills / Remedial Instruction					
Salaries of Teachers	2,850,518.00		2,850,518.00	2,723,626.56	126,891.44
Total Basic Skills / Remedial Instruction	2,850,518.00	-	2,850,518.00	2,723,626.56	126,891.44
Bilingual Education - Instruction					
Salaries of Teachers	3,558,734.00	(1,792.00)	3,556,942.00	3,450,094.69	106,847.31
Other Salaries for Instruction	103,524.00	1,792.00	105,316.00	56,034.82	49,281.18
Supplies and Materials	88,297.00	(210.00)	88,087.00	59,485.09	28,601.91
Textbooks	10,000.00		10,000.00		10,000.00
Other Objects		210.00	210.00	210.00	-
Total Bilingual Education - Instruction	3,760,555.00	-	3,760,555.00	3,565,824.60	194,730.40
School-Sponsored Co/Extra-Curr. Activities - Instruction					
Salaries	222,443.00	(5,504.40)	216,938.60	171,125.52	45,813.08
Purchased Technical Services		36,346.75	36,346.75	32,999.00	3,347.75
General Supplies	4,100.00	24,800.00	28,900.00	7,633.50	21,266.50
Other Purchased Services (400-500 series)		5,504.40	5,504.40	1,559.58	3,944.82
Misc. Expenditures	53,321.00	(25,600.00)	27,721.00	5,396.00	22,325.00
Other Objects	1,985.00	(400.00)	1,585.00		1,585.00
Total School-Spon. Co-Curricular Activities - Inst.	281,849.00	35,146.75	316,995.75	218,713.60	98,282.15
School-Spon. Co-Curricular Athletics - Instruction					
Salaries	365,028.00	70,677.00	435,705.00	435,704.22	0.78
Purchased Services	30,000.00	(9,439.00)	20,561.00	4,779.00	15,782.00
Other Purchased Services (400-500 series)	106,381.00	(74,346.75)	32,034.25	31,318.00	716.25
Travel	11,000.00	(10,587.00)	413.00		413.00
Supplies and Materials	272,911.00	(76,584.22)	196,326.78	194,056.06	2,270.72
Other Objects	40,000.00		40,000.00	40,000.00	-
Total School-Spon. Co-Curricular Athletics - Inst.	825,320.00	(100,279.97)	725,040.03	705,857.28	19,182.75
Other Supplemental - At Risk Programs - Instruction					
Salaries of Teacher Tutors	1,798,382.00		1,798,382.00	1,038,308.72	760,073.28
Total Other Supplemental - At Risk Programs - Instruction	1,798,382.00	-	1,798,382.00	1,038,308.72	760,073.28
Community Services Program					
Purchased Services (300-500 series)	9,045.00		9,045.00	7,528.38	1,516.62
Total Community Services Program	9,045.00	-	9,045.00	7,528.38	1,516.62
TOTAL INSTRUCTION	70,764,884.00	54,983.96	70,819,867.96	64,930,252.21	5,889,615.75

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	696,024.00		696,024.00	378,393.59	317,630.41
Tuition to Other LEAs Within the State - Special	250,000.00		250,000.00	94,137.64	155,862.36
Tuition to County Voc. School Dist. - Regular	1,516,983.00		1,516,983.00	1,516,983.00	-
Tuition to County Voc. School Dist. - Special	60,000.00	(19,300.00)	40,700.00	12,750.00	27,950.00
Tuition to CSSD & Regional Day Schools	3,332,799.00	19,300.00	3,352,099.00	3,175,660.32	176,438.68
Tuition to Private Schools for the Disabled W/ State	1,977,966.00	(700,739.00)	1,277,227.00	579,626.05	697,600.95
Tuition to Priv Sch Disabled & Oth LEAS-Spl, O/S	129,615.00		129,615.00	17,335.50	112,279.50
Tuition - State Facilities	1,560,186.00		1,560,186.00	1,560,186.00	-
Tuition - Other	20,200.00		20,200.00	11,850.00	8,350.00
Total Undistributed Expenditures - Instruction	9,543,773.00	(700,739.00)	8,843,034.00	7,346,922.10	1,496,111.90
Undistributed Expend. - Attend. & Social Worker					
Salaries	348,759.00	2,851.00	351,610.00	351,597.83	12.17
Other Purchased Services (400-500 series)		5,400.00	5,400.00	5,400.00	-
Supplies & Materials	7,000.00		7,000.00	2,877.04	4,122.96
Total Undist. Expend. - Attend. & Social Worker	355,759.00	8,251.00	364,010.00	359,874.87	4,135.13
Undistributed Expend. - Health Services					
Salaries	1,115,864.00	(173,302.00)	942,562.00	942,551.14	10.86
Professional Ed Services	192,700.00	(55,000.00)	137,700.00	50,179.75	87,520.25
Purchased Professional and Technical Services	3,300.00		3,300.00	3,300.00	-
Other Purchased Services (400-500 series)	44,768.00	7,189.00	51,957.00	42,748.10	9,208.90
Travel	550.00		550.00	26.88	523.12
Supplies & Materials	58,958.00	1,624.00	60,582.00	20,844.06	39,737.94
Other Objects	4,864.00		4,864.00		4,864.00
Total Undistributed Expend. - Health Services	1,421,004.00	(219,489.00)	1,201,515.00	1,056,349.93	145,165.07
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries - Speech Language Specialists	797,473.00	(633.00)	796,840.00	694,145.16	102,694.84
Purchased Professional and Technical Services	585,000.00	70,000.00	655,000.00	440,205.25	214,794.75
Supplies & Materials	15,900.00		15,900.00	5,856.16	10,043.84
Other Objects	3,915.00		3,915.00	1,743.00	2,172.00
Total Undist. Expend. - Other Support Services Student - Related Services	1,402,288.00	69,367.00	1,471,655.00	1,141,949.57	329,705.43
Undist. Expend. - Guidance					
Regular					
Salaries of Other Professional Staff	1,925,954.00	(97,699.00)	1,828,255.00	1,810,163.48	18,091.52
Salaries of Secretarial and Clerical Assistance	108,510.00	1,643.00	110,153.00	110,153.00	-
Other Salaries	159,790.00	(12,058.14)	147,731.86	124,289.01	23,442.85
Purchased Professional - Education Services	57,000.00		57,000.00	12,000.00	45,000.00
Other Purchased Prof. and Tech. Services	33,000.00		33,000.00		33,000.00
Other Purchased Services (400-500 series)	111,612.00		111,612.00	14,110.82	97,501.18
Travel	900.00		900.00		900.00
Supplies and Materials	29,470.00		29,470.00	15,256.69	14,213.31
Total Undist. Expend. - Guidance	2,426,236.00	(108,114.14)	2,318,121.86	2,085,973.00	232,148.86

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Child Study Team					
Special					
Salaries of Other Professional Staff	1,496,093.00	183,667.26	1,679,760.26	1,679,754.66	5.60
Salaries of Secretarial and Clerical Assistants	382,468.00	(10,840.26)	371,627.74	371,026.98	600.76
Purchased Professional - Education Services	621,000.00	(84,943.00)	536,057.00	90,337.71	445,719.29
Misc. Purchased Serv (400-500 series)	45,200.00		45,200.00	38,909.08	6,290.92
Travel	2,700.00		2,700.00	389.65	2,310.35
Supplies & Materials	33,100.00		33,100.00	13,916.53	19,183.47
Total Undist. Expend. - Child Study Team	2,580,561.00	87,884.00	2,668,445.00	2,194,334.61	474,110.39
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	789,100.00	(14,592.00)	774,508.00	686,773.51	87,734.49
Other Salaries	28,374.00		28,374.00	28,056.96	317.04
Salaries of Facilitators, Math & Literacy Coaches	1,760,439.00	14,592.00	1,775,031.00	1,672,899.89	102,131.11
Purchased Professional - Education Services	963,000.00	(707,790.00)	255,210.00	251,655.00	3,555.00
Other Purchased Services (400-500 series)	20,325.00		20,325.00	13,263.51	7,061.49
Travel	44,000.00		44,000.00		44,000.00
Supplies & Materials	130,388.00	(39,617.18)	90,770.82	70,317.47	20,453.35
Other Objects	39,300.00		39,300.00	30,684.50	8,615.50
Total Undist. Expend. - Instructional Staff Training	3,774,926.00	(747,407.18)	3,027,518.82	2,753,650.84	273,867.98
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	634,490.00	(11,912.96)	622,577.04	591,441.15	31,135.89
Other Salaries	781,811.00		781,811.00	657,688.08	124,122.92
Other Purchased Prof. and Tech. Services	93,000.00	(23,238.17)	69,761.83	69,761.83	-
Other Purchased Services (400-500 series)	34,747.00	(21,505.16)	13,241.84	13,241.84	-
Supplies & Materials	60,600.00	60,181.29	120,781.29	52,050.77	68,730.52
Other Objects	3,525.00	(3,525.00)	-		-
Total Undistributed Expenditures - Educational Media Services - School Library	1,608,173.00	0.00	1,608,173.00	1,384,183.67	223,989.33
Undist. Expend. - Instructional Staff Training Services Training		525.00	525.00	525.00	-
Total Undist. Expend. - Instructional Staff Training	-	525.00	525.00	525.00	-
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries - 504 Plans	18,000.00	(3,000.00)	15,000.00	12,588.80	2,411.20
Admin Salaries Other Programs	251,127.00		251,127.00	245,899.90	5,227.10
Admin Secretary Salaries	75,960.00	27,758.00	103,718.00	103,717.42	0.58
Other Support Staff Salaries	288,660.00	(11,100.00)	277,560.00	277,236.59	323.41
State Monitor	71,267.00	349.00	71,616.00	71,616.00	-
Legal Services	675,000.00	211,666.89	886,666.89	769,087.76	117,579.13
Audit Fees	75,000.00		75,000.00	64,000.00	11,000.00
Architect Fees	162,000.00		162,000.00	82,000.00	80,000.00
Other Professional Services	50,000.00		50,000.00		50,000.00
Purchased Professional and Technical Services	67,500.00		67,500.00	7,200.00	60,300.00
Communications/Telephone	721,100.00	60,793.00	781,893.00	665,044.97	116,848.03
Travel	500.00		500.00		500.00
BOE Other Purchased Services	3,000.00		3,000.00		3,000.00
Miscellaneous Purchased Services	609,236.00		609,236.00	565,623.84	43,612.16
General Supplies	10,000.00	11,746.12	21,746.12	21,331.36	414.76
BOE In House Training / Meeting Supplies	29,500.00	(2,209.22)	27,290.78	3,921.30	23,369.48
Judgments Against the District	2,346,856.00	(307,476.79)	2,039,379.21		2,039,379.21
Miscellaneous Expenditures	2,917.00	11,473.00	14,390.00	14,220.00	170.00
BOE Membership Dues and Fees	30,000.00		30,000.00	26,927.59	3,072.41
Total Undistributed Expenditures - Support Services - General Administration	5,487,623.00	0.00	5,487,623.00	2,930,415.53	2,557,207.47

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	4,051,049.00	(32,699.00)	4,018,350.00	3,887,794.27	130,555.73
Salaries of Secretarial and Clerical Assistants	1,265,235.00	32,699.00	1,297,934.00	1,282,276.72	15,657.28
Other Purchased Prof. and Tech. Services	12,000.00	(5,928.56)	6,071.44		6,071.44
Other Purchased Services (400-500 series)	55,594.00	6,960.10	62,554.10	55,531.80	7,022.30
Travel	1,500.00		1,500.00		1,500.00
Supplies & Materials	195,761.00	(6,600.19)	189,160.81	94,777.81	94,383.00
Miscellaneous Expenditures	5,000.00		5,000.00	2,878.60	2,121.40
Other Objects	40,500.00	12,925.00	53,425.00	42,046.84	11,378.16
Total Undistributed Expenditures - Support Services - School Administration	<u>5,626,639.00</u>	<u>7,356.35</u>	<u>5,633,995.35</u>	<u>5,365,306.04</u>	<u>268,689.31</u>
Undist. Expend. - Central Services					
Salaries	409,095.00	(32,558.28)	376,536.72	366,526.96	10,009.76
Salaries of Secretarial and Clerical Assistants	932,456.00	42,554.00	975,010.00	921,403.53	53,606.47
Other Salaries	86,207.00	(691.00)	85,516.00	85,516.00	-
Other Purchased Prof. and Tech. Services	200,000.00	(59,391.00)	140,609.00	43,934.00	96,675.00
Purchased Prof. and Tech. Services	26,400.00		26,400.00	16,243.00	10,157.00
Miscellaneous Purchased Services (400-500 series)	54,024.00	(5,000.00)	49,024.00	40,528.28	8,495.72
Travel	12,100.00		12,100.00	566.00	11,534.00
Supplies and Materials	33,500.00	20,000.00	53,500.00	42,166.31	11,333.69
Bank Charges	100,000.00	(15,000.00)	85,000.00	1,107.06	83,892.94
Miscellaneous Expenditures	21,200.00		21,200.00	20,228.06	971.94
Total Undistributed Expenditures - Central Services	<u>1,874,982.00</u>	<u>(50,086.28)</u>	<u>1,824,895.72</u>	<u>1,538,219.20</u>	<u>286,676.52</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	161,693.00	161,556.42	323,249.42	323,248.48	0.94
Purchased Professional Services	33,500.00	(1.00)	33,499.00	9,200.00	24,299.00
Purchased Technical Services	526,000.00	(151.67)	525,848.33	308,343.93	217,504.40
Travel	2,500.00		2,500.00		2,500.00
Supplies and Materials	81,500.00		81,500.00	73,734.79	7,765.21
Other Objects	3,500.00		3,500.00		3,500.00
Total Undistributed Expenditures - Admin Info. Tech.	<u>808,693.00</u>	<u>161,403.75</u>	<u>970,096.75</u>	<u>714,527.20</u>	<u>255,569.55</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	791,653.00		791,653.00	760,422.21	31,230.79
Other Salaries	54,000.00		54,000.00	47,531.13	6,468.87
Cleaning, Repair and Maintenance Service	2,040,509.00	1,754,467.40	3,794,976.40	2,167,628.18	1,627,348.22
General Supplies	201,424.00	57,600.00	259,024.00	193,502.78	65,521.22
Miscellaneous Expenditures	13,630.00		13,630.00	6,720.00	6,910.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>3,101,216.00</u>	<u>1,812,067.40</u>	<u>4,913,283.40</u>	<u>3,175,804.30</u>	<u>1,737,479.10</u>
Undist. Expend. - Custodial Services					
Salaries	4,193,587.00	(2,750.08)	4,190,836.92	3,836,414.56	354,422.36
Salaries of Non-Instructional Aides	35,000.00		35,000.00	29,531.13	5,468.87
Other Salaries	6,000.00	2,750.08	8,750.08	8,750.00	0.08
Purchased Professional and Technical Services	24,261.00	28,500.00	52,761.00	34,468.36	18,292.64
Cleaning, Repairs & Maintenance	307,500.00	284,000.00	591,500.00	165,266.18	426,233.82
Rental of Land, Buildings & Other than Leases	800,000.00	(95,897.00)	704,103.00	704,102.32	0.68
Other Purchased Property Services	610,800.00	(138,005.00)	472,795.00	451,241.06	21,553.94
Insurance	1,223,166.00	(269,706.00)	953,460.00	950,868.01	2,591.99
Miscellaneous Purchased Services	16,963.00	(12,800.00)	4,163.00	3,145.14	1,017.86
General Supplies	347,886.00	139,919.59	487,805.59	470,688.24	17,117.35
Energy (Energy and Electricity)	3,371,268.00	(368,937.00)	3,002,331.00	2,299,110.94	703,220.06
Energy (Oil)	5,000.00	(1,000.00)	4,000.00	909.31	3,090.69
Energy (Natural Gas)	800,000.00	(10,000.00)	790,000.00	706,465.89	83,534.11
Dues and Fees	6,960.00	5,350.00	12,310.00	11,091.00	1,219.00
Total Undistributed Expenditures - Custodial Services	<u>11,748,391.00</u>	<u>(438,575.41)</u>	<u>11,309,815.59</u>	<u>9,672,052.14</u>	<u>1,637,763.45</u>

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	234,297.00		234,297.00	220,995.90	13,301.10
Salaries of Other Professional Staff	35,000.00		35,000.00	29,531.13	5,468.87
Purchased Professional and Technical Services	1,500.00		1,500.00	1,200.00	300.00
Cleaning, Repairs & Maintenance	50,000.00	32,000.00	82,000.00	80,675.33	1,324.67
General Supplies	35,507.00	18,444.22	53,951.22	44,761.27	9,189.95
Total Undist. Expend. - Care & Upkeep of Grounds	356,304.00	50,444.22	406,748.22	377,163.63	29,584.59
Undist. Expend. - Security					
Salaries	2,090,867.00		2,090,867.00	2,031,118.86	59,748.14
Other Salaries	50,000.00		50,000.00	39,939.98	10,060.02
Purchased Professional and Technical Services	41,540.00	11,000.00	52,540.00	46,884.60	5,655.40
Cleaning, Repairs & Maintenance	224,500.00	13,205.88	237,705.88	147,830.48	89,875.40
General Supplies	55,700.00	30,000.00	85,700.00	28,961.17	56,738.83
Other Objects	4,685.00		4,685.00	4,620.00	65.00
Total Undist. Expend. - Security	2,467,292.00	54,205.88	2,521,497.88	2,299,355.09	222,142.79
Total Undistributed Expenditures					
Operations and Maintenance of Plant	17,673,203.00	1,478,142.09	19,151,345.09	15,524,375.16	3,626,969.93
Undist. Expend. - Student Transportation Serv.					
Other Salaries	136,200.00		136,200.00	133,710.12	2,489.88
Other Purchased Professional and Tech. Services	9,000.00	(2,041.00)	6,959.00	5,900.00	1,059.00
Contracted Services - (Bet. Home & School) -Vendors	3,136,683.00	(26,592.02)	3,110,090.98	3,110,082.48	8.50
Contracted Services - (Other than Home & Sch) Vendors	776,152.00	(412,929.50)	363,222.50	256,122.30	107,100.20
Contracted Services - (Bet. Home & School) -Special Ed	194,365.00	(77,085.80)	117,279.20	117,235.86	43.34
Contracted Services - (Bet. Home & School) - Joint Agree	31,090.00	7,773.69	38,863.69	38,773.02	90.67
Contracted Services - Special Ed- Joint Agreements	2,412,779.00	566,258.03	2,979,037.03	2,978,377.03	660.00
Contr. Serv. - Aid in Lieu Payments - Non Pub. Sch.	64,252.00		64,252.00	60,648.47	3,603.53
Contr. Serv. - Aid in Lieu Payments - Charter Schools	135,964.00	(64,024.40)	71,939.60		71,939.60
Contr. Serv. - Aid in Lieu Payments - Choice Schools	8,291.00		8,291.00	988.88	7,302.12
Misc. Purchased Service - Transportation	1,070.00	3,712.00	4,782.00	4,752.00	30.00
General Supplies	15,000.00	(1,671.00)	13,329.00	2,591.73	10,737.27
Total Undistributed Expenditures - Student Transportation Services	6,920,846.00	(6,600.00)	6,914,246.00	6,709,181.89	205,064.11
Unallocated Benefits					
Group Insurance	50,000.00		50,000.00		50,000.00
Social Security Contribution	2,500,000.00	241,182.39	2,741,182.39	1,424,881.40	1,316,300.99
Other Retirement Contributions - PERS	2,500,000.00	(441,681.39)	2,058,318.61	2,058,318.61	-
Other Retirement Contributions - DCRP	20,000.00		20,000.00	5,991.25	14,008.75
Unemployment Compensation	574,000.00		574,000.00		574,000.00
Workmen's Compensation	3,322,447.00		3,322,447.00	2,960,639.67	361,807.33
Health Benefits	16,160,775.00		16,160,775.00	11,880,248.75	4,280,526.25
Tuition Reimbursement	600,000.00		600,000.00	208,348.22	391,651.78
Other Employee Benefits	700,000.00		700,000.00	425,375.36	274,624.64
Total Unallocated Benefits	26,427,222.00	(200,499.00)	26,226,723.00	18,963,803.26	7,262,919.74

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
On-Behalf Contributions					
TPAF Pension (On-Behalf - Non-Budgeted)					
Pension Contribution			-	24,095,433.00	(24,095,433.00)
Post Retirement Medical			-	5,629,667.00	(5,629,667.00)
Long Term Disability			-	5,652.00	(5,652.00)
Reimbursed TPAF Social Security Cont.(non-bud)				5,636,763.94	(5,636,763.94)
Total On-Behalf Contributions		-	-	35,367,515.94	(35,367,515.94)
Total Personal Services - Employee Benefits	26,427,222.00	(200,499.00)	26,226,723.00	54,331,319.20	(28,104,596.20)
TOTAL UNDISTRIBUTED EXPENDITURES	87,931,928.00	(220,005.41)	87,711,922.59	105,437,107.81	(17,725,185.22)
TOTAL GENERAL CURRENT EXPENSE	158,696,812.00	(165,021.45)	158,531,790.55	170,367,360.02	(11,835,569.47)
CAPITAL OUTLAY					
Equipment					
Grades 6-8	187,200.00	15,938.24	203,138.24	203,138.24	-
Grades 9-12	262,000.00	(1,106.27)	260,893.73	255,706.01	5,187.72
Athletic Equipment	31,172.00	59,639.15	90,811.15	90,770.61	40.54
Undistributed - Support Services - Media		78,652.06	78,652.06		78,652.06
Undistributed - Support Services - Data Center	45,000.00	(8,804.36)	36,195.64	36,195.64	-
Undistributed - Support Services - School Admin		14,968.65	14,968.65	14,350.33	618.32
Undistributed - Support Services - Custodial Service		410,500.00	410,500.00	160,114.30	250,385.70
Undistributed - Support Services - Required Maintenance	60,301.00	1,558,467.25	1,618,768.25	124,415.91	1,494,352.34
Undistributed - Support Services - Security	178,125.00	(164,430.00)	13,695.00	2,327.30	11,367.70
Undistributed - Support Services - Grounds		4,430.00	4,430.00	4,430.00	-
Total Equipment	763,798.00	1,968,254.72	2,732,052.72	891,448.34	1,840,604.38
Facilities Acquisition and Construction Services					
Construction Services	11,370,000.00	241,000.00	11,611,000.00	5,215,931.90	6,395,068.10
Architectural & Engineering Fees	1,000,000.00	54,058.93	1,054,058.93	313,574.37	740,484.56
Assessment for Debt Service on SDA Funding	73,597.00		73,597.00	73,597.00	-
Total Facilities Acquisition and Construction Services	12,443,597.00	295,058.93	12,738,655.93	5,603,103.27	7,135,552.66
TOTAL CAPITAL OUTLAY	13,207,395.00	2,263,313.65	15,470,708.65	6,494,551.61	8,976,157.04
Transfer of Funds to Charter Schools	10,488,840.00	(1,181,111.00)	9,307,729.00	9,307,729.00	-
TOTAL EXPENDITURES	182,393,047.00	917,181.20	183,310,228.20	186,169,640.63	(2,859,412.43)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,233,293.00)	(917,181.20)	(2,150,474.20)	32,347,529.85	34,498,004.05
Other Financing Sources:					
Operating Transfers In (Out):					
Increase in Capital Reserve	(15,174,124.00)		(15,174,124.00)		15,174,124.00
Increase in Maintenance Reserve	(5,001,000.00)		(5,001,000.00)		5,001,000.00
Special Revenue Fund - Local Contribution	(238,356.00)		(238,356.00)		238,356.00
Capital Reserve - Transfer from Capital Projects Fund			-	860,839.00	860,839.00
Total Other Financing Sources:	(20,413,480.00)	-	(20,413,480.00)	860,839.00	21,274,319.00

CITY OF ATLANTIC CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(21,646,773.00)	(917,181.20)	(22,563,954.20)	33,208,368.85	55,772,323.05
Fund Balance July 1	78,845,470.21	-	78,845,470.21	78,845,470.21	-
Fund Balance June 30	<u>\$ 57,198,697.21</u>	<u>\$ (917,181.20)</u>	<u>\$ 56,281,516.01</u>	<u>\$ 112,053,839.06</u>	<u>\$ 55,772,323.05</u>
Recapitulation:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				18,285,545.12	
Reserve for Excess Surplus				10,000,000.00	
Maintenance Reserve				6,001,000.00	
Capital Reserve				61,197,636.02	
Emergency Reserve				1,000,000.00	
Tuition Reserve - Year 1				1,000,000.00	
Tuition Reserve - Year 2				1,000,000.00	
Unemployment				2,490,471.19	
Committed Fund Balance:					
Encumbrances				4,375,768.74	
Reserved for Future Expenditures - Death Benefits				275,000.00	
Unassigned Fund Balance				<u>6,428,417.99</u>	
				112,053,839.06	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(6,887,768.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 105,166,071.06</u>	

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 227,031.17	\$ 227,031.17	\$ 220,379.01	\$ (6,652.16)
State Sources	6,708,134.00	1,819.00	6,709,953.00	6,314,083.37	(395,869.63)
Federal Sources	7,795,048.47	26,967,910.62	34,762,959.09	15,101,295.73	(19,661,663.36)
Total Revenues	14,503,182.47	27,196,760.79	41,699,943.26	21,635,758.11	(20,064,185.15)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,429,964.00	1,986,416.09	4,416,380.09	3,915,480.60	500,899.49
Other Salaries for Instruction	1,171,793.00	63,971.07	1,235,764.07	1,087,354.15	148,409.92
Purchased Professional and Technical Services	50,050.00	1,503,077.00	1,553,127.00	908,944.53	644,182.47
Tuition	1,485,865.00	410,274.00	1,896,139.00	1,469,918.24	426,220.76
Other Purchased Services (400-500 series)	25,375.00	534,541.00	559,916.00	498,588.25	61,327.75
General Supplies	1,597,723.00	5,486,333.99	7,084,056.99	4,775,970.81	2,308,086.18
Textbooks	8,881.00	(2,039.00)	6,842.00	-	6,842.00
Other Objects	-	64,676.50	64,676.50	-	64,676.50
Total Instruction	6,769,651.00	10,047,250.65	16,816,901.65	12,656,256.58	4,160,645.07
Support Services:					
Salaries of Supervisors of Instruction	-	295,849.00	295,849.00	-	295,849.00
Salaries of Principals/Assistant Principals/Program Directors	188,970.00	674,091.00	863,061.00	149,596.90	713,464.10
Salaries of Other Professional Staff	805,576.56	1,610,871.34	2,416,447.90	1,506,661.43	909,786.47
Salaries of Secretarial and Clerical Assistants	140,697.44	38,317.68	179,015.12	178,661.12	354.00
Other Salaries	387,261.57	779,669.35	1,166,930.92	1,154,642.28	12,288.64
Salaries of Family / Parent Liaison	53,060.40	3,045.60	56,106.00	55,729.00	377.00
Salaries of Master Teachers	66,349.50	300,000.50	366,350.00	351,742.46	14,607.54
Personal Services - Employee Benefits	5,794,895.00	(3,521,401.94)	2,273,493.06	1,896,944.18	376,548.88
Purchased Professional Educational Services	35,000.00	2,037,660.00	2,072,660.00	1,818,800.86	253,859.14
Cleaning Repairs & Maintenance	50,045.00	154,855.00	204,900.00	174,409.95	30,490.05
Other Purchased Services (400-500 series)	132,125.00	1,037,962.50	1,170,087.50	561,484.74	608,602.76
Supplies & Materials	70,000.00	2,057,581.45	2,127,581.45	476,354.85	1,651,226.60
Other Objects	-	237,479.66	237,479.66	236,489.66	990.00
Total Support Services	7,723,980.47	5,705,981.14	13,429,961.61	8,577,457.44	4,852,504.17

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ 9,551.00	\$ 11,171,059.00	\$ 11,180,610.00	\$ 296,115.34	\$ 10,884,494.66
Non Instructional Equipment	-	272,470.00	272,470.00	137,679.69	134,790.31
	<u>9,551.00</u>	<u>11,443,529.00</u>	<u>11,453,080.00</u>	<u>433,795.03</u>	<u>11,019,284.97</u>
Total Facilities Acquisitions and Const. Services:	14,503,182.47	27,196,760.79	41,699,943.26	21,667,509.05	20,032,434.21
Total Outflows	<u>14,503,182.47</u>	<u>27,196,760.79</u>	<u>41,699,943.26</u>	<u>21,667,509.05</u>	<u>20,032,434.21</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,750.94)</u>	<u>\$ (31,750.94)</u>

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Notes to the Required Supplementary Information

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2022**

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

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 218,517,170.48	[C-2]	\$ 21,635,758.11
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		138,160.87
The Final State Aid payments for the Year Ended June 30, 2021 that were delayed until July 2021 were recorded as budgetary revenue for the Year Ended June 30, 2021 but are not recognized under GAAP until the Year Ended June 30, 2022.		4,165,599.60		660,215.40
The Final State Aid payments for the Year Ended June 30, 2022 that were delayed until July 2022 were recorded as budgetary revenue for the Year Ended June 30, 2022 but are not recognized under GAAP until the Year Ended June 30, 2023.		(6,887,768.00)		(695,205.00)
Unexpended Preschool Education Aid				34,989.60
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 215,795,002.08	[B-2]	\$ 21,773,918.98
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 186,169,640.63	[C-2]	\$ 21,667,509.05
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		-		138,160.87
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 186,169,640.63	[B-2]	\$ 21,805,669.92

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Required Supplementary Information – Part III

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.1756431989%	0.1830101741%	0.1879433313%	0.1856382675%	0.1982052543%	0.2196805917%	0.2150378748%	0.2013476517%	0.1936405509%
District's proportionate of the net pension liability (asset)	\$ 20,807,570.00	\$ 29,844,173.00	\$ 33,864,537.00	\$ 36,551,250.00	\$ 46,139,015.00	\$ 65,063,090.00	\$ 48,271,694.00	\$ 37,697,787.00	\$ 37,008,557.00
District's covered payroll	\$ 13,608,882.00	\$ 12,841,029.00	\$ 13,230,989.00	\$ 13,342,700.00	\$ 12,816,325.00	\$ 13,455,045.00	\$ 15,128,605.00	\$ 14,605,444.00	\$ 13,347,370.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	152.90%	232.41%	255.95%	273.94%	360.00%	483.56%	319.08%	258.11%	277.27%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	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 be show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,056,986.00	\$ 2,002,039.00	1,828,135.00	1,846,501.00	1,836,160.00	1,996,909.73	1,848,749.00	1,659,881.00	1,459,042.00
Contributions in relation to the contractually required contribution	<u>\$ 2,056,986.00</u>	<u>\$ 2,002,039.00</u>	<u>\$ 1,828,135.00</u>	<u>1,846,501.00</u>	<u>1,836,160.00</u>	<u>1,996,909.73</u>	<u>1,848,749.00</u>	<u>1,659,881.00</u>	<u>1,459,042.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 13,608,882.00	\$ 12,841,029.00	13,230,989.00	13,342,700.00	12,816,325.00	13,455,045.00	15,128,605.00	14,605,444.00	13,347,370.00
Contributions as a percentage of covered-employee payroll	15.12%	15.59%	13.82%	13.84%	14.33%	14.84%	12.22%	11.36%	10.93%

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	-	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 286,671,703.00</u>	<u>\$ 395,382,162.00</u>	<u>\$ 356,036,330.00</u>	<u>389,345,138.00</u>	<u>463,134,704.00</u>	<u>538,896,377.00</u>	<u>415,447,236.00</u>	<u>342,788,494.00</u>	<u>305,445,923.00</u>
Total	<u>\$ 286,671,703.00</u>	<u>\$ 395,382,162.00</u>	<u>\$ 356,036,330.00</u>	<u>389,345,138.00</u>	<u>463,134,704.00</u>	<u>538,896,377.00</u>	<u>415,447,236.00</u>	<u>342,788,494.00</u>	<u>305,445,923.00</u>
District's covered payroll	\$ 69,236,147.00	\$ 64,429,413.00	\$ 64,723,091.00	64,681,664.00	60,786,811.00	64,301,130.82	71,070,263.00	68,438,348.00	64,928,089.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	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	<u>\$ 306,261,409.00</u>	<u>\$ 341,884,773.00</u>	<u>\$ 211,621,529.00</u>	<u>235,166,692.00</u>	<u>271,481,780.00</u>	<u>292,180,524.00</u>
Total	<u>\$ 306,261,409.00</u>	<u>\$ 341,884,773.00</u>	<u>\$ 211,621,529.00</u>	<u>235,166,692.00</u>	<u>271,481,780.00</u>	<u>292,180,524.00</u>
District's covered payroll	82,845,029.00	77,270,442.00	77,954,080.00	78,024,364.00	73,603,136.00	77,756,175.82
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	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%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:						
Service Cost	15,592,075.00	8,688,256.00	8,627,519.00	9,975,604.00	11,975,874.00	-
Interest Cost	7,944,744.00	7,610,709.00	9,314,019.00	9,968,460.00	8,582,758.00	-
Change in Benefit Terms	(325,978.00)					
Differences between Expected & Actual	(53,081,230.00)	57,285,208.00	(38,338,409.00)	(23,201,656.00)	-	-
Changes in Assumptopns	302,150.00	62,450,600.00	3,155,294.00	(26,986,555.00)	(35,200,825.00)	-
Member Contributions	203,108.00	180,403.00	192,564.00	217,333.00	231,543.00	-
Benefit Payments	(6,258,233.00)	(5,951,932.00)	(6,496,150.00)	(6,288,274.00)	(6,288,094.00)	-
Change in Total Opeb Liability	<u>(35,623,364.00)</u>	<u>130,263,244.00</u>	<u>(23,545,163.00)</u>	<u>(36,315,088.00)</u>	<u>(20,698,744.00)</u>	<u>-</u>
State's proportionate share of the net OPEB liability (asset) associated with the District -						
Beginning Balance	<u>341,884,773.00</u>	<u>211,621,529.00</u>	<u>235,166,692.00</u>	<u>271,481,780.00</u>	<u>292,180,524.00</u>	<u>-</u>
Ending Balance	<u>\$ 306,261,409.00</u>	<u>\$ 341,884,773.00</u>	<u>\$ 211,621,529.00</u>	<u>\$ 235,166,692.00</u>	<u>\$ 271,481,780.00</u>	<u>\$ -</u>
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	369.68%	442.45%	271.47%	301.40%	368.85%	0.00%

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

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Title I Part A	Title I SIA	ARP IDEA	ARP IDEA Preschool	IDEA	IDEA Preschool	ESSER II	ESSER
REVENUES:								
Local Sources								
State Sources								
Federal Sources	\$ 3,703,499.93	\$ 931,930.02	\$ 165,181.61	\$ 2,852.28	\$ 1,728,641.28	\$ 49,779.99	\$ 2,541,189.59	\$ 4,189,965.15
Total Revenues	<u>3,703,499.93</u>	<u>931,930.02</u>	<u>165,181.61</u>	<u>2,852.28</u>	<u>1,728,641.28</u>	<u>49,779.99</u>	<u>2,541,189.59</u>	<u>4,189,965.15</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	975,337.03	11,765.77			37,727.52	6,051.00		22,831.94
Other Salaries for Instruction					13,236.51			
Purchased Professional & Technical Services	367,931.00	50,766.21	165,181.61		11,314.97	5,087.25	238,952.04	3,703.70
Other Purchased Services (400-500 Series)	402,186.72	21,565.88						
Tuition								
General Supplies	272,078.37	66,088.66		2,852.28	1,469,918.24		1,634,064.23	2,197,771.88
Textbooks								
Total Instruction	<u>2,017,533.12</u>	<u>150,186.52</u>	<u>165,181.61</u>	<u>2,852.28</u>	<u>1,532,197.24</u>	<u>41,347.17</u>	<u>1,873,016.27</u>	<u>2,224,307.52</u>
Support Services:								
Salaries of Supervisors of Instruction	98,786.25	6,716.25						
Salaries of Principals/Assistant Principals/Program Directors	198,223.44	298,524.27			106,788.92		37,613.34	76,610.32
Salaries of Other Professional Staff	88,826.94							
Salaries of Secretarial and Clerical Assistants								
Other Salaries	621,581.48							
Salaries of Family / Parent Liaison	55,729.00							
Salaries of Master Teachers	87,210.46	197,656.00						
Personal Services - Employee Benefits	314,439.13	175,455.00			56,930.12	462.86	2,877.42	7,607.36
Purchased Professional Educational Services	61,500.00	85,600.00					137,800.00	1,355,214.66
Cleaning Repairs & Maintenance								88,002.46
Purchased Technical Services								
Rentals								
Contracted Services - Trans. - Field Trips								
Travel								
Staff Training	48,463.31	6,025.00			32,725.00	5,000.00	263,872.00	77,919.00
Other Purchased Services (400-500 series)	806.80	11,766.98					75,932.04	272,326.19
Supplies & Materials								
Other Objects								
Total Support Services	<u>1,575,566.81</u>	<u>781,743.50</u>	<u>-</u>	<u>-</u>	<u>196,444.04</u>	<u>5,462.86</u>	<u>518,094.80</u>	<u>1,877,679.99</u>
Facilities Acquisitions and Construction Services:								
Instructional Equipment	110,400.00							
Non Instructional Equipment								
Total Facilities Acquisitions and Const. Services:	<u>110,400.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,969.96</u>	<u>150,078.52</u>	<u>28,294.40</u>
Total Expenditures	<u>3,703,499.93</u>	<u>931,930.02</u>	<u>165,181.61</u>	<u>2,852.28</u>	<u>1,728,641.28</u>	<u>49,779.99</u>	<u>2,541,189.59</u>	<u>4,189,965.15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Title II	Title III	CARES Act	Title IV	Perkins	Non-Public ESL	Non-Public Textbooks	Non-Public Compensatory Education
REVENUES:								
Local Sources								
State Sources	\$ 397,550.99	\$ 199,272.72	741,459.68	\$ 405,088.80	44,883.69	\$ 6,763.50	\$ 5,772.42	\$ 25,991.45
Federal Sources								
Total Revenues	<u>397,550.99</u>	<u>199,272.72</u>	<u>741,459.68</u>	<u>405,088.80</u>	<u>44,883.69</u>	<u>6,763.50</u>	<u>5,772.42</u>	<u>25,991.45</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers				250,872.54		6,763.50		19,089.00
Other Salaries for Instruction					11,087.00			6,902.45
Purchased Professional & Technical Services			30,000.00	11,868.00				
Other Purchased Services (400-500 Series)			47,250.00	3,674.00				
Tuition								
General Supplies		18,632.17	448,648.00	-	3,360.98		5,772.42	
Textbooks								
Total Instruction	<u>-</u>	<u>18,632.17</u>	<u>525,898.00</u>	<u>266,414.54</u>	<u>14,447.98</u>	<u>6,763.50</u>	<u>5,772.42</u>	<u>25,991.45</u>
Support Services:								
Salaries of Supervisors of Instruction				44,094.40				
Salaries of Principals/Assistant Principals/Program Directors				4,559.06	16,253.33			
Salaries of Other Professional Staff	208,517.30	57,586.71	2,196.58					
Salaries of Secretarial and Clerical Assistants				52,438.11				
Other Salaries	7,666.06							
Salaries of Family / Parent Liaison								
Salaries of Master Teachers		66,876.00						
Personal Services - Employee Benefits	18,128.05	43,619.84	167.88	26,925.26	1,243.38			
Purchased Professional Educational Services	160,251.20			8,000.00				
Cleaning Repairs & Maintenance			59,787.00					
Purchased Technical Services								
Rentals								
Contracted Services - Trans. - Field Trips								
Travel								
Staff Training				612.00	12,408.00			
Other Purchased Services (400-500 series)	2,393.00	12,558.00	27,125.77		381.00			
Supplies & Materials	595.38		48,288.00		150.00			
Other Objects								
Total Support Services	<u>397,550.99</u>	<u>180,640.55</u>	<u>137,565.23</u>	<u>136,628.83</u>	<u>30,435.71</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisitions and Construction Services:								
Instructional Equipment				2,045.43				
Non Instructional Equipment								
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>77,996.45</u>	<u>2,045.43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>397,550.99</u>	<u>199,272.72</u>	<u>741,459.68</u>	<u>405,088.80</u>	<u>44,883.69</u>	<u>6,763.50</u>	<u>5,772.42</u>	<u>25,991.45</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Non-Public Speech	Non-Public Examination & Classification	Non-Public Nursing	Non-Public Security Aid	Non-Public Technology	Atlantcare	Ocean Casino	Ocean First
REVENUES:								
Local Sources	\$ 2,790.00	\$ 2,660.00	\$ 11,711.49	\$ 19,424.45	\$ 4,702.47	\$ 608.45	\$ 2,078.40	\$ 2,327.51
State Sources								
Federal Sources								
	<u>2,790.00</u>	<u>2,660.00</u>	<u>11,711.49</u>	<u>19,424.45</u>	<u>4,702.47</u>	<u>608.45</u>	<u>2,078.40</u>	<u>2,327.51</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Other Salaries for Instruction								
Purchased Professional & Technical Services								
Other Purchased Services (400-500 Series)						608.45		2,327.51
Tuition								
General Supplies								
Textbooks								
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,375.44</u>	<u>608.45</u>	<u>-</u>	<u>2,327.51</u>
Support Services:								
Salaries of Supervisors of Instruction								
Salaries of Principals/Assistant Principals/Program Directors	2,790.00	2,660.00	11,711.49					
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Assistants								
Other Salaries								
Salaries of Family / Parent Liaison								
Salaries of Master Teachers								
Personal Services - Employee Benefits								
Purchased Professional Educational Services								
Cleaning Repairs & Maintenance								
Purchased Technical Services								
Rentals								
Contracted Services - Trans. - Field Trips								
Travel								
Staff Training								
Other Purchased Services (400-500 series)							2,078.40	
Supplies & Materials								
Other Objects				803.96				
	<u>2,790.00</u>	<u>2,660.00</u>	<u>11,711.49</u>	<u>19,424.45</u>	<u>-</u>	<u>-</u>	<u>2,078.40</u>	<u>-</u>
Facilities Acquisitions and Construction Services:								
Instructional Equipment								
Non Instructional Equipment								
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,327.03</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,790.00</u>	<u>2,660.00</u>	<u>11,711.49</u>	<u>19,424.45</u>	<u>4,702.47</u>	<u>608.45</u>	<u>2,078.40</u>	<u>2,327.51</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures								
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)								
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Tyson Sodexo	ROTC	Student Activities	Athletic Activities	Scholarship Accounts	Preschool Education Aid	Totals
REVENUES:							
Local Sources	\$ 5,000.00	\$ 5,775.93	\$ 151,950.72	\$ 51,829.00	809.00	6,234,267.59	\$ 220,379.01
State Sources							6,314,083.37
Federal Sources							15,101,295.73
Total Revenues	<u>5,000.00</u>	<u>5,775.93</u>	<u>151,950.72</u>	<u>51,829.00</u>	<u>809.00</u>	<u>6,234,267.59</u>	<u>21,635,758.11</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers						2,585,042.30	3,915,480.60
Other Salaries for Instruction						1,074,117.64	1,087,354.15
Purchased Professional & Technical Services						9,854.00	908,944.53
Other Purchased Services (400-500 Series)						20,207.95	498,568.25
Tuition						91,181.50	1,469,918.24
General Supplies							4,775,970.81
Textbooks							-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,780,403.39</u>	<u>12,656,256.58</u>
Support Services:							
Salaries of Supervisors of Instruction							-
Salaries of Principals/Assistant Principals/Program Directors						482,626.67	149,596.90
Salaries of Other Professional Staff						89,834.18	1,506,661.43
Salaries of Secretarial and Clerical Assistants						472,956.63	178,661.12
Other Salaries							1,154,642.28
Salaries of Family / Parent Liaison							55,729.00
Salaries of Master Teachers							351,742.46
Personal Services - Employee Benefits						1,249,087.88	1,896,944.18
Purchased Professional Educational Services						18,435.00	1,818,800.86
Cleaning Repairs & Maintenance							174,409.95
Purchased Technical Services							-
Rentals							-
Contracted Services - Trans. - Field Trips						15,940.01	15,940.01
Travel							-
Staff Training							-
Other Purchased Services (400-500 series)	5,000.00	5,775.93	174,158.93	60,031.90	2,148.83	70,305.26	561,484.74
Supplies & Materials						54,678.57	476,354.85
Other Objects							236,489.66
Total Support Services	<u>5,000.00</u>	<u>5,775.93</u>	<u>174,158.93</u>	<u>60,031.90</u>	<u>2,148.83</u>	<u>2,453,864.20</u>	<u>8,577,457.44</u>
Facilities Acquisitions and Construction Services:							
Instructional Equipment							296,115.34
Non Instructional Equipment							137,679.69
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,795.03</u>
Total Expenditures	<u>5,000.00</u>	<u>5,775.93</u>	<u>174,158.93</u>	<u>60,031.90</u>	<u>2,148.83</u>	<u>6,234,267.59</u>	<u>21,667,509.05</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(22,208.21)</u>	<u>(8,202.90)</u>	<u>(1,339.83)</u>	<u>-</u>	<u>(31,750.94)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,208.21)</u>	<u>\$ (8,202.90)</u>	<u>\$ (1,339.83)</u>	<u>\$ -</u>	<u>\$ (31,750.94)</u>

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CITY OF ATLANTIC CITY SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2022

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 2,585,239.00	\$ 2,585,042.30	\$ 196.70
Other Salaries for Instruction	1,138,810.00	1,074,117.64	64,692.36
Purchased Professional & Technical Services	50,050.00	9,854.00	40,196.00
Other Purchased Services (400-500 Series)	25,375.00	20,207.95	5,167.05
General Supplies	976,150.00	91,181.50	884,968.50
Total Instruction	<u>4,775,624.00</u>	<u>3,780,403.39</u>	<u>995,220.61</u>
Support Services:			
Salaries of Other Professional Staff	491,621.00	482,626.67	8,994.33
Salaries of Secretarial and Clerical Assistants	93,535.00	89,834.18	3,700.82
Other Salaries	521,660.00	472,956.63	48,703.37
Personal Services - Employee Benefits	1,460,944.00	1,249,087.88	211,856.12
Other Purchased Professional - Ed. Services	350,000.00	18,435.00	331,565.00
Cleaning Repairs & Maintenance	70,000.00		70,000.00
Contracted Services - Trans. - Field Trips	54,250.00	15,940.01	38,309.99
Other Purchased Services (400-500 Series)	122,500.00	70,305.26	52,194.74
Supplies and Materials	140,000.00	54,678.57	85,321.43
Total Support Services	<u>3,304,510.00</u>	<u>2,453,864.20</u>	<u>850,645.80</u>
Total Expenditures	<u>\$ 8,080,134.00</u>	<u>\$ 6,234,267.59</u>	<u>\$ 1,845,866.41</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-22 Preschool Aid Allocation	\$ 6,952,050.00
Add: Actual Preschool Carryover June 30, 2021	1,250,598.13
Total Preschool Education Aid Funds Available for 2021-22 Budget	8,202,648.13
Less: 2021-2022 Budgeted Preschool Education Aid	(8,080,134.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	<u>122,514.13</u>
Add: June 30, 2022 Unexpended Preschool Education Aid	1,845,866.41
2020-21 Actual Carryover - Preschool Education Aid	<u>\$ 1,968,380.54</u>
2021-22 Preschool Education Aid Carryover Budgeted for 2022-23	<u>\$ 1,250,598.00</u>

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CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Summary
For the Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,621,172.00	\$	\$ 1,621,172.00	\$ 1,621,172.00
Bond Proceeds and Transfers	80,321,000.00		80,321,000.00	80,321,000.00
Total Revenues	<u>81,942,172.00</u>	<u>-</u>	<u>81,942,172.00</u>	<u>81,942,172.00</u>
Expenditures and Other Financing Uses				
Project Expenditures	74,896,438.98		74,896,438.98	75,757,277.98
Total Expenditures	<u>74,896,438.98</u>	<u>-</u>	<u>74,896,438.98</u>	<u>75,757,277.98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,045,733.02</u>	<u>-</u>	<u>7,045,733.02</u>	<u>6,184,894.02</u>
Other Financing Sources (Uses)				
Transfer out	(6,184,894.02)	(860,839.00)	(7,045,733.02)	(6,184,894.02)
Total Other Financing Sources and Uses	<u>(6,184,894.02)</u>	<u>(860,839.00)</u>	<u>(7,045,733.02)</u>	<u>(6,184,894.02)</u>
Net Project	\$ <u>860,839.00</u>	\$ <u>(860,839.00)</u>	<u>-</u>	\$ <u>-</u>

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
2019 Project
For the Year Ended June 30, 2022

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

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Costs	851,172.00
Revised Authorized Cost	-
Percentage Increase over Original Authorized Cost	-100.00%
Percentage Completion	0%
Original Target Completion Date	2019
Revised Target Completion Date	2021

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CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
2020 ACHS Project
For the Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 518,000.00	\$ -	\$ 518,000.00	\$ 518,000.00
Total Revenues	<u>518,000.00</u>	<u>-</u>	<u>518,000.00</u>	<u>518,000.00</u>
Expenditures and Other Financing Uses				
Project Expenditures	515,735.00	-	515,735.00	518,000.00
Total Expenditures	<u>515,735.00</u>	<u>-</u>	<u>515,735.00</u>	<u>518,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,265.00</u>	<u>-</u>	<u>2,265.00</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfer out	-	(2,265.00)	(2,265.00)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(2,265.00)</u>	<u>(2,265.00)</u>	<u>-</u>
Net Project	<u>\$ 2,265.00</u>	<u>\$ (2,265.00)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Costs	518,000.00
Revised Authorized Cost	518,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	-
Original Target Completion Date	2020
Revised Target Completion Date	2021

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CITY OF ATLANTIC CITY SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
2020 MLK Project
For the Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 252,000.00	\$ -	\$ 252,000.00	\$ 252,000.00
Total Revenues	<u>252,000.00</u>	<u>-</u>	<u>252,000.00</u>	<u>252,000.00</u>
Expenditures and Other Financing Uses				
Project Expenditures	244,598.00	-	244,598.00	252,000.00
Total Expenditures	<u>244,598.00</u>	<u>-</u>	<u>244,598.00</u>	<u>252,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,402.00</u>	<u>-</u>	<u>7,402.00</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfer out	-	(7,402.00)	(7,402.00)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(7,402.00)</u>	<u>(7,402.00)</u>	<u>-</u>
Net Project	<u>\$ 7,402.00</u>	<u>\$ (7,402.00)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Costs	252,000.00
Revised Authorized Cost	252,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	-
Original Target Completion Date	2020
Revised Target Completion Date	2021

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LONG-TERM DEBT SCHEDULES

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of General Serial Bonds
For the Year Ended June 30, 2022

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance 06/30/22	
			Outstanding June 30, 2021	Interest Rate	Balance 06/30/21	Increased		Decreased
Refunding School Bonds 2019	5/22/2019	39,039,000.00			\$ 36,528,000.00	\$	\$ 2,022,000.00	\$ 34,506,000.00
	8/15/2022		2,087,000	3.400%				
	8/15/2023		2,171,000	3.400%				
	8/15/2024		2,268,000	3.400%				
	8/15/2025		2,348,000	3.400%				
	8/15/2026		2,435,000	3.400%				
	8/15/2027		2,510,000	3.400%				
	8/15/2028		2,611,000	4.150%				
	8/15/2029		2,726,000	4.150%				
	8/15/2030		2,831,000	4.150%				
	8/15/2031		2,949,000	4.150%				
	8/15/2032		3,065,000	4.150%				
	8/15/2033		3,189,000	4.150%				
8/15/2034		3,316,000	4.150%					
Refunding School Bonds 2021	4/1/2021	16,445,000.00			16,445,000.00		1,030,000.00	15,415,000.00
	4/1/2023		1,035,000	4.000%				
	4/1/2024		1,070,000	4.000%				
	4/1/2025		1,075,000	4.000%				
	4/1/2026		1,105,000	4.000%				
	4/1/2027		1,135,000	4.000%				
	4/1/2028		1,180,000	4.000%				
	4/1/2029		1,215,000	4.000%				
	4/1/2030		1,265,000	4.000%				
	4/1/2031		1,315,000	4.000%				
	4/1/2032		1,310,000	4.000%				
	4/1/2033		1,280,000	4.000%				
	4/1/2034		1,240,000	4.000%				
4/1/2035		1,190,000	4.000%					
					\$ 52,973,000.00	\$	3,052,000.00	\$ 49,921,000.00

See Accompanying Auditor's Report

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,576,449.00	\$ -	\$ 4,576,449.00	\$ 4,576,449.00	\$ -
State Sources:					
Debt Service Aid Type II	491,797.00	-	491,797.00	491,797.00	-
	<u>491,797.00</u>	<u>-</u>	<u>491,797.00</u>	<u>491,797.00</u>	<u>-</u>
Total - State Sources	491,797.00	-	491,797.00	491,797.00	-
Total Revenues	<u>5,068,246.00</u>	<u>-</u>	<u>5,068,246.00</u>	<u>5,068,246.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	2,020,530.50	387,137.50	2,407,668.00	2,020,530.50	387,137.50
Redemption of Principal	3,559,137.50	(387,137.50)	3,172,000.00	3,052,000.00	120,000.00
	<u>5,579,668.00</u>	<u>-</u>	<u>5,579,668.00</u>	<u>5,072,530.50</u>	<u>507,137.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(511,422.00)</u>	<u>-</u>	<u>(511,422.00)</u>	<u>(4,284.50)</u>	<u>507,137.50</u>
Other Financing Sources (Uses):					
Interest	-	-	-	13,623.48	13,623.48
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,623.48</u>	<u>13,623.48</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>(511,422.00)</u>	<u>-</u>	<u>(511,422.00)</u>	<u>9,338.98</u>	<u>520,760.98</u>
Fund Balance, July 1	511,422.82	-	511,422.82	511,422.82	-
Fund Balance, June 30	<u>\$ 0.82</u>	<u>\$ -</u>	<u>\$ 0.82</u>	<u>\$ 520,761.80</u>	<u>\$ 520,760.98</u>

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Statistical Section

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

Exhibit J-1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets, net of related debt	\$ 45,018,680.00	\$ 54,682,838.00	\$ 65,592,186.41	\$ 74,354,599.09	\$ 78,737,852.21	\$ 78,788,732.18	\$ 78,039,443.23	\$ 78,164,005.61	\$ 78,912,782.03	\$ 85,248,824.92
Restricted	33,329,117.00	32,690,749.24	22,519,928.32	9,354,507.62	4,781,702.60	25,200,576.44	35,539,161.48	35,753,535.33	57,524,614.00	99,851,989.15
Unrestricted	3,404,940.33	7,077,979.76	(23,933,304.97)	(17,029,969.62)	(30,605,365.92)	(42,864,035.64)	(41,167,558.29)	(39,456,326.94)	(44,307,783.02)	(32,808,411.88)
Total governmental activities net position	\$ 81,752,737.33	\$ 94,451,567.00	\$ 64,178,809.76	\$ 66,679,137.09	\$ 52,914,188.89	\$ 61,125,272.98	\$ 72,411,046.42	\$ 74,481,214.00	\$ 92,129,613.01	\$ 152,287,402.16
Business-type activities										
Invested in capital assets, net of related debt	\$ 215,161.00	\$ 181,382.00	\$ 196,608.00	\$ 162,660.00	\$ 84,734.00	\$ 613,074.00	\$ 579,301.00	\$ 588,789.00	\$ 553,849.30	\$ 534,962.00
Restricted	(212,670.00)	(308,679.98)	148,049.25	132,286.29	586,396.28	901,697.59	1,351,094.68	1,746,647.24	1,470,816.89	2,579,430.58
Unrestricted	2,481.00	(127,297.98)	344,657.25	294,916.29	651,130.28	1,514,771.58	1,930,395.68	2,315,436.24	2,024,666.19	3,114,392.58
Total business-type activities net position	\$ 2,481.00	\$ (127,297.98)	\$ 344,657.25	\$ 294,916.29	\$ 651,130.28	\$ 1,514,771.58	\$ 1,930,395.68	\$ 2,315,436.24	\$ 2,024,666.19	\$ 3,114,392.58
District-wide										
Invested in capital assets, net of related debt	\$ 45,233,841.00	\$ 54,864,220.00	\$ 65,788,794.41	\$ 74,517,259.09	\$ 78,822,586.21	\$ 79,401,806.18	\$ 78,618,744.23	\$ 78,732,794.61	\$ 79,466,631.33	\$ 85,778,786.92
Restricted	33,329,117.00	32,690,749.24	22,519,928.32	9,354,507.62	4,781,702.60	25,200,576.44	35,539,161.48	35,753,535.33	57,524,614.00	99,851,989.15
Unrestricted	3,192,270.33	6,789,299.76	(23,785,265.72)	(16,897,713.33)	(30,038,868.64)	(41,962,338.05)	(39,519,463.61)	(37,709,679.70)	(42,836,966.13)	(30,228,981.30)
Total district net position	\$ 81,755,228.33	\$ 94,324,269.02	\$ 64,523,467.01	\$ 66,974,053.36	\$ 53,586,319.17	\$ 82,940,044.57	\$ 74,341,442.10	\$ 76,776,650.24	\$ 94,134,279.20	\$ 155,401,794.77

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

Source: ACFR Schedule A-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses											
Governmental activities:											
Instruction:											
Regular	\$ 46,192,488.63	\$ 49,440,165.00	\$ 55,331,698.00	\$ 55,098,658.26	\$ 63,248,913.74	\$ 65,190,162.63	\$ 73,390,922.85	\$ 72,984,893.05	\$ 66,944,760.41	\$ 61,656,537.17	\$ 63,350,437.94
Special education	23,989,652.11	21,618,768.00	20,847,052.00	24,032,522.96	30,400,252.35	36,229,692.15	37,678,714.71	37,534,892.87	36,405,265.75	32,293,356.10	34,065,094.74
Other special education	16,195,702.57	17,985,255.00	14,818,970.00	19,778,557.31	21,969,117.59	15,185,941.41	14,239,765.36	15,149,426.68	14,120,549.59	13,062,276.31	11,606,482.96
Support Services:											
Student & instruction related services	13,943,629.85	15,091,677.00	13,242,855.84	11,226,827.85	12,285,017.11	12,674,162.07	13,208,303.77	15,780,498.66	15,029,126.62	16,540,705.75	16,654,651.10
General administrative services	20,602,733.27	20,456,195.00	23,637,831.00	24,852,885.91	28,907,628.61	26,000,334.33	26,247,860.17	29,370,372.30	29,812,224.44	26,287,474.69	27,871,198.17
Central Services	7,155,929.70	2,586,087.00	3,032,403.73	3,460,639.57	2,539,993.30	2,594,851.33	3,830,441.82	3,300,694.81	3,317,141.29	2,947,554.44	2,634,830.05
Plant operations and maintenance	5,022,692.89	6,262,409.00	7,039,304.79	6,771,011.54	7,227,029.73	7,946,412.78	7,946,412.78	7,421,893.03	6,443,924.08	6,127,694.81	4,824,117.75
Capital Outlay	2,255,495.38	2,222,080.00	2,538,104.67	2,650,538.80	2,662,333.94	3,467,547.16	3,672,842.21	2,884,571.23	2,884,571.23	2,695,730.71	2,025,516.12
Charter Schools	17,940,345.89	20,334,368.00	22,922,845.90	23,031,834.48	20,999,843.31	20,067,231.99	23,225,440.83	18,614,283.83	18,780,000.03	15,210,860.75	13,958,460.77
Unallocated/denominator	4,524,112.21	4,955,343.00	5,025,046.38	5,057,051.44	5,263,917.57	4,642,351.48	4,488,417.31	4,884,905.07	5,178,798.92	4,943,482.14	6,709,181.89
Special schools	-	294,853.00	115,688.63	729,366.98	-	-	-	-	-	-	-
Charter Schools	6,905,810.70	5,581,788.00	5,297,035.00	4,438,077.17	4,194,051.05	3,768,861.25	3,402,017.58	3,379,106.18	2,589,214.04	2,547,352.76	1,923,075.11
Unallocated/denominator	-	-	-	-	-	-	-	-	-	-	-
Unallocated/denominator	-	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 164,717,582.20	\$ 166,379,308.00	\$ 173,848,738.94	\$ 181,127,592.27	\$ 199,108,599.81	\$ 197,010,466.02	\$ 211,339,801.64	\$ 210,488,450.69	\$ 197,425,619.40	\$ 184,333,025.63	\$ 186,423,045.60
Business-type activities:											
Food service	4,639,049.11	5,292,433.00	5,361,535.07	6,059,444.57	6,259,345.84	5,997,473.20	5,842,256.92	5,729,042.66	5,603,054.05	5,020,855.89	6,632,929.78
Reading Recovery	14,760.36	5,258.00	25,404.35	52,246.10	20,214.89	-	7,742.24	20,656.78	6,225.16	4,379.72	3,190.00
Total business-type activities expenses	\$ 4,653,809.47	\$ 5,297,691.00	\$ 5,386,939.42	\$ 6,111,690.67	\$ 6,279,560.73	\$ 5,997,473.20	\$ 5,849,999.16	\$ 5,749,709.44	\$ 5,609,279.21	\$ 5,025,235.61	\$ 6,636,119.78
Total district expenses	\$ 169,371,391.67	\$ 171,676,999.00	\$ 179,235,678.36	\$ 187,239,282.94	\$ 205,388,160.54	\$ 203,007,939.22	\$ 217,189,800.80	\$ 216,238,160.13	\$ 203,034,898.61	\$ 189,358,261.28	\$ 193,059,165.38
Program revenues:											
Governmental activities:											
Charges for services - Tuition	\$ 11,095,687	\$ 9,655,605	\$ 8,290,413	\$ 9,260,898	\$ 38,568,411	\$ 50,664,179	\$ 66,955,619	\$ 69,330,912	\$ 54,607,683	\$ 47,128,299	\$ 40,782,670
Charges for services - Tuition	825,921	1,356,754	1,096,882	1,810,915	11,392,183	11,892,845	9,647,225	7,203,479	6,207,327	5,784,232	6,180,802
Capital grants and contributions	11,921,608.00	11,012,359.00	22,071,371.18	22,525,089.42	50,837,597.61	62,654,124.82	77,349,769.35	77,032,847.67	61,314,120.00	53,411,236.27	47,455,263.71
Total governmental activities program revenues	\$ 23,843,216.00	\$ 22,024,718.00	\$ 21,457,674.41	\$ 33,596,902.99	\$ 100,808,201.62	\$ 125,211,148.04	\$ 144,012,613.70	\$ 143,567,206.93	\$ 122,128,127.27	\$ 106,323,767.28	\$ 94,418,736.43
Business-type activities:											
Charges for services:											
Food service	516,835.49	548,129.00	570,965.74	425,687.89	510,970.63	414,910.91	333,363.50	340,203.04	305,713.40	262,054.35	220,107.33
Reading Recovery	3,563,878.76	4,000.00	46,850.00	55,288.00	1,900.00	1,900.00	1,900.00	38,000.00	3,600.00	9,600.00	900.00
Operating grants and contributions	4,087,866.23	4,173,123.00	4,629,151.91	5,733,041.90	6,229,819.77	5,639,776.28	5,771,482.78	5,729,677.84	5,639,776.28	4,489,776.77	7,294,000.00
Total business-type activities program revenue	\$ 16,003,476.23	\$ 15,755,482.00	\$ 16,229,977.65	\$ 16,924,057.79	\$ 17,771,500.40	\$ 17,715,364.47	\$ 17,836,647.28	\$ 17,836,647.28	\$ 17,588,760.30	\$ 16,281,631.32	\$ 15,978,700.03
Total district program revenue	\$ 39,846,692.23	\$ 37,780,200.00	\$ 37,687,652.06	\$ 50,520,960.78	\$ 118,579,702.02	\$ 142,926,512.51	\$ 161,849,256.98	\$ 161,404,053.86	\$ 139,716,887.57	\$ 122,605,401.60	\$ 110,397,436.46
Net (Expense)/Revenue	\$ (152,795,974)	\$ (155,366,949)	\$ (151,777,368)	\$ (158,602,523)	\$ (148,271,002)	\$ (134,356,371)	\$ (133,989,802)	\$ (133,989,802)	\$ (136,111,489)	\$ (130,921,789)	\$ (137,967,781)
Business-type activities	\$ (571,941,244)	\$ (574,568,000)	\$ (579,788,511)	\$ (578,648,771)	\$ (579,843,861)	\$ (579,843,861)	\$ (579,843,861)	\$ (579,843,861)	\$ (579,843,861)	\$ (579,843,861)	\$ (579,843,861)
Total district-wide net expense	\$ (153,367,915.44)	\$ (155,941,517.00)	\$ (152,566,329.51)	\$ (159,251,290.71)	\$ (149,014,861.61)	\$ (134,000,157.21)	\$ (133,989,802.02)	\$ (133,989,802.02)	\$ (136,791,897.84)	\$ (131,212,559.41)	\$ (137,158,544.63)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Assets											
Governmental activities:											
Property taxes levied for general purposes, net	\$ 114,163,796.00	\$ 117,535,530.00	\$ 116,235,550.00	\$ 118,235,550.00	\$ 118,426,947.00	\$ 81,888,890.00	\$ 81,888,890.00	\$ 38,383,504.00	\$ 37,118,294.00	\$ 81,888,890.00	\$ 36,558,856.00
Casino/Pit	-	-	-	-	-	-	-	43,495,386.00	44,770,596.00	-	44,838,067.00
Taxes levied for debt service	11,668,037.00	16,452,244.00	16,216,880.00	15,280,194.00	13,529,974.00	-	8,188,344.00	5,883,676.00	5,896,595.00	5,897,241.00	4,576,448.00
Unrestricted grants and contributions	23,181,554.87	28,152,852.00	29,236,305.18	30,472,210.06	18,426,353.22	38,247,687.35	52,043,413.83	55,925,893.72	49,317,540.08	59,910,373.06	90,868,594.41
Interest	13,977,616.00	14,887,600.00	14,887,600.00	14,887,600.00	14,887,600.00	-	-	-	-	-	-
Multimedia	1,887,600.00	1,887,600.00	2,613,757.76	691,326.14	388,055.31	454,845.65	685,339.55	1,052,915.74	1,058,643.77	883,664.31	1,994,668.42
Investment income	295,224.33	1,681,934.00	(1,825,830.55)	50,604.00	-	-	-	-	-	-	-
Transfers & Adjustments	(700,000.00)	(250,000.00)	(1,825,830.55)	50,604.00	388,055.31	454,845.65	685,339.55	1,052,915.74	1,058,643.77	883,664.31	1,994,668.42
Total governmental activities	162,096,112.24	176,519,676.00	164,476,662.39	164,729,884.20	150,771,329.53	120,591,423.00	142,805,887.38	144,751,376.46	138,161,666.85	146,590,183.37	178,836,756.83
Business-type activities:											
Investment earnings	6,688.00	-	-	-	-	-	-	-	-	-	-
Capital Contributions	700,000.00	250,000.00	-	-	-	-	-	-	-	-	-
Transfers	-	250,000.00	-	-	-	-	-	-	-	-	-
Total business-type activities	706,688.00	250,000.00	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 162,802,800.24	\$ 176,769,676.00	\$ 164,476,662.39	\$ 164,729,884.20	\$ 150,771,329.53	\$ 120,591,423.00	\$ 142,805,887.38	\$ 144,751,376.46	\$ 138,161,666.85	\$ 146,590,183.37	\$ 178,836,756.83
Changes in Net Assets											
Governmental activities	\$ 9,300,138.04	\$ 20,152,727.00	\$ 12,689,294.63	\$ 6,127,361.35	\$ 2,500,327.33	\$ (13,764,948.20)	\$ 8,816,185.09	\$ 11,285,773.44	\$ 2,050,167.58	\$ 17,688,399.01	\$ 40,868,975.94
Business-type activities	134,746.76	(324,568.00)	(129,788.51)	(378,648.77)	(49,740.86)	356,213.99	258,540.31	371,932.09	319,511.56	(230,770.05)	809,236.26
Total district	\$ 9,434,884.80	\$ 19,828,159.00	\$ 12,559,506.12	\$ 5,748,712.58	\$ 2,450,586.37	\$ (13,408,734.21)	\$ 9,074,725.40	\$ 11,657,705.53	\$ 2,369,679.14	\$ 17,377,628.96	\$ 41,678,212.20

Source: ACFR Schedule A-2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 20,037,565.00	\$ 24,116,470.30	\$ 20,139,347.63	\$ 7,188,801.54	\$ 7,202,888.02	\$ 23,192,841.36	\$ 33,533,176.40	\$ 33,074,772.17	\$ 53,901,978.84	\$ 94,973,652.33
Committed	10,466,476.00	9,914,364.00	8,393,127.92	835,703.54	281,384.38	341,068.05	1,355,192.07	1,181,443.06	3,320,865.44	4,650,768.74
Assigned	2,284,736.00	2,937,211.00	3,369,047.16	7,459,968.46	5,575,809.00	2,201,159.98	5,417,166.66	6,538,831.94	-	-
Unassigned	2,149,969.00	2,250,368.00	1,816,073.29	844,178.50	1,363,530.73	2,106,804.00	964,863.28	589,265.06	(533,042.21)	5,541,649.99
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	\$ 34,938,746.00	\$ 39,218,413.30	\$ 33,717,596.00	\$ 16,328,642.04	\$ 14,423,612.13	\$ 27,841,863.39	\$ 41,270,398.41	\$ 41,484,312.23	\$ 56,689,902.07	\$ 105,166,071.06
Total general fund										
All Other Governmental Funds										
Restricted	\$ 8,225,425.00	\$ 3,540,756.00	\$ 2,231,151.41	\$ 2,168,395.32	\$ 2,155,471.58	\$ 2,007,735.08	\$ 2,005,985.08	\$ 2,678,763.16	\$ 4,134,057.50	\$ 748,329.88
Committed	-	-	152,118.52	-	-	-	-	-	-	-
Assigned	235,364.00	-	906,649.00	12,609,857.00	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent Fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 8,460,789.00	\$ 3,540,756.00	\$ 3,289,918.93	\$ 14,778,252.32	\$ 2,155,471.58	\$ 2,007,735.08	\$ 2,005,985.08	\$ 2,678,763.16	\$ 4,134,057.50	\$ 748,329.88

Source: ACFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 133,987,774.00	\$ 134,452,430.00	\$ 133,515,744.00	\$ 131,956,921.00	\$ 81,888,890.00	\$ 90,077,234.00	\$ 44,277,180.00	\$ 43,014,887.00	\$ 87,786,131.00	\$ 41,135,407.00
Casino Pilot	-	-	-	-	-	-	43,485,386.00	44,770,596.00	-	44,838,067.00
Tuition charges	11,987,016.34	12,684,076.00	11,453,256.70	11,392,183.40	11,182,844.50	9,647,224.54	7,203,478.97	6,207,326.82	5,784,232.06	6,180,801.79
Miscellaneous	1,648,935.00	2,617,871.00	695,190.29	394,668.93	464,988.96	703,872.97	1,065,935.46	1,080,644.69	690,037.95	2,215,067.43
State sources	31,070,315.00	32,373,786.00	35,135,462.06	36,104,251.47	58,521,600.13	74,624,741.18	79,670,797.85	74,090,240.71	90,658,755.44	132,960,443.78
Federal sources	8,087,996.00	6,245,237.00	6,404,696.57	6,869,315.34	9,352,984.23	10,067,799.04	10,798,141.85	11,820,376.76	7,417,918.26	15,321,003.54
Total Revenue	186,782,036.34	188,373,400.00	187,204,349.62	186,717,340.14	161,411,307.82	185,120,877.73	186,510,920.13	180,984,071.98	192,337,074.71	242,650,790.54
Expenditures										
Instruction:										
Regular instruction	34,652,480.00	36,814,162.00	39,524,082.20	39,177,724.87	35,915,819.90	38,373,081.00	39,182,207.18	39,051,614.05	37,469,952.89	45,083,915.22
Special education instruction	17,341,318.00	15,803,565.00	17,239,535.84	18,831,970.76	19,959,808.81	19,700,381.58	20,150,827.56	21,558,723.48	19,627,357.30	24,242,734.43
Other special education instruction	12,311,440.00	13,701,060.00	14,187,751.87	13,620,528.41	8,366,531.31	7,445,385.02	8,133,058.64	8,361,999.98	7,950,369.90	8,259,859.14
Support Services:										
Tuition	15,091,976.00	13,242,856.00	11,225,827.85	12,285,017.11	12,674,162.07	13,208,303.77	15,780,498.66	15,029,126.62	16,540,705.75	16,654,651.10
Student & instruction related services	15,043,882.00	16,567,977.00	17,827,719.84	17,906,001.70	14,326,109.27	13,723,921.50	15,230,800.90	15,285,652.93	15,975,442.09	19,692,459.80
General administrative services	1,812,582.00	2,028,162.00	2,432,938.31	1,954,234.70	1,706,552.19	2,260,416.05	2,400,785.68	2,633,755.27	2,443,930.92	2,930,415.53
School administrative services	4,389,306.00	4,690,436.00	4,906,531.64	5,089,689.39	4,827,405.50	4,689,151.18	5,333,733.10	5,116,369.04	5,080,707.80	5,365,306.04
Central Services	1,587,450.00	1,696,292.00	1,901,325.34	2,046,381.85	2,316,201.38	2,167,155.08	13,340,007.20	14,774,955.67	13,032,689.25	15,524,375.16
Plant operations and maintenance	14,252,304.00	15,308,116.00	16,521,425.10	16,156,980.58	12,518,745.29	13,705,594.14	4,884,905.07	5,178,788.92	4,943,482.14	6,709,161.89
Pupil transportation	4,955,343.00	5,025,046.00	5,057,051.44	5,263,917.57	4,642,951.48	4,498,417.31	2,183,099.39	2,290,301.80	2,235,134.17	2,252,746.40
Unallocated employee benefits	36,558,006.00	39,969,312.00	41,630,913.01	43,877,096.34	43,779,391.17	42,408,208.93	39,143,375.39	41,172,627.89	43,027,721.76	54,331,319.20
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	6,164,422.00	6,676,059.00	2,612,501.93	992,378.33	488,482.10	689,580.50	871,673.24	3,186,359.71	1,464,162.90	6,928,346.64
Debt service:										
Principal	11,880,000.00	12,155,000.00	12,290,000.00	10,985,000.00	9,680,000.00	5,560,000.00	3,185,000.00	3,325,000.00	4,031,000.00	3,052,000.00
Interest and other charges	6,117,156.00	5,325,556.00	4,798,419.44	4,329,059.10	3,736,958.00	3,420,766.91	3,264,163.10	3,132,114.72	2,068,678.59	2,020,530.50
Total Expenditures	182,127,665.00	189,002,601.00	192,156,003.81	192,617,960.71	174,939,118.47	171,850,362.97	173,084,135.11	180,097,380.08	175,891,345.46	213,047,841.05
Excess (Deficiency) of Revenues over (under) Expenditures	4,654,371.34	(629,201.00)	(4,951,654.19)	(5,900,620.57)	(13,527,810.65)	13,270,514.76	13,426,785.02	886,691.90	16,445,729.25	29,602,949.49
Other Financing Sources (Uses)										
Bond & Lease Proceeds	-	-	-	-	-	-	-	-	215,154.93	-
Transfers	(250,000.00)	-	(800,000.00)	-	(1,000,000.00)	-	-	-	-	-
Workers Compensation Fund	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(250,000.00)	-	(800,000.00)	-	(1,000,000.00)	-	-	-	215,154.93	-
Net change in fund balances	\$ 4,404,371.34	\$ (629,201.00)	\$ (5,751,654.19)	\$ (5,900,620.57)	\$ (14,527,810.65)	\$ 13,270,514.76	\$ 13,426,785.02	\$ 886,691.90	\$ 16,660,884.18	\$ 29,602,949.49
Debt service as a percentage of noncapital expenditures	10%	10%	9%	8%	8%	5%	4%	4%	3%	2%

Source: ACFR Schedule B-2

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Cancelled Payables</u>	<u>Current Year Refunds</u>	<u>Totals</u>
2013	181,049.26	12,684,076.04	1,577,401.54				14,442,526.84
2014	34,228.87	11,453,256.70	656,981.26				12,144,466.83
2015	55,000.00	11,392,183.40	332,320.49				11,779,503.89
2016	0.26	11,182,844.50	451,715.60				11,634,560.36
2017	-	9,647,224.54	676,754.19				10,323,978.73
2018	10,760.02	7,203,478.97	1,019,526.62				8,233,765.61
2019	192,514.65	6,207,326.82	822,428.53				7,222,270.00
2020	198,495.34	5,784,232.06	452,029.58				6,434,756.98
2021	183,931.89	7,340,182.71	264,930.19	239,653.53	1,082,501.57	121,107.75	9,232,307.64
2022	83,419.60	6,180,801.79	1,624,200.95	273,444.39			8,161,866.73

Source: District Records

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

City of Atlantic City											
Year Ended	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value	
Dec. 31,											
2013	990,057,400	2,276,786,145	10,931,800,500	4,434,800	191,826,300	14,394,905,145	7,968,531	14,402,873,676	0.929	15,084,255,627	
2014	768,923,100	2,100,464,715	8,207,089,300	4,069,800	185,632,200	11,266,179,115	6,538,788	11,272,717,903	1.197	11,867,756,704	
2015	462,757,500	1,910,222,855	4,792,899,500	4,069,800	172,916,700	7,342,866,355	7,027,851	7,349,894,206	1.239	7,349,894,206	
2016	415,929,500	1,685,997,740	4,251,201,600	4,972,800	151,651,000	6,509,752,640	6,128,664	6,515,881,304	1.536	7,498,023,144	
2017	366,992,996	1,539,063,900	1,050,265,704	3,672,800	146,635,300	3,106,630,700	100	3,106,630,800	1.349	3,118,902,176	
2018	352,267,340	1,391,844,300	981,161,500	13,149,800	144,569,300	2,882,992,240	-	2,882,992,240	1.493	2,646,814,938	
2019	331,347,290	1,311,303,900	735,758,000	13,149,800	133,362,700	2,524,921,690	-	2,524,921,690	1.691	2,458,601,026	
2020	290,142,296	1,336,715,427	745,764,400	12,229,300	124,971,600	2,509,823,023	-	2,509,823,023	1.699	2,735,183,043	
2021	256,932,700	1,319,770,233	725,429,650	12,229,300	115,171,600	2,429,533,483	-	2,429,533,483	1.694	2,717,355,530	
2022	not available	not available	not available	not available	not available	2,406,379,413	-	2,406,379,413	1.612	2,807,221,331	

Source: County Abstract of Ratables & Municipal Tax Assessor

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

Year Ended Dec. 31,	CITY OF ATLANTIC CITY SCHOOL DISTRICT			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	Municipal Local Purpose	
2013	0.821	0.108	0.929	0.227	0.002	1.384	2.542
2014	1.059	0.138	1.197	0.354	0.003	1.794	3.348
2015	1.213	0.026	1.239	0.384	0.001	1.798	3.422
2016	1.410	0.126	1.536	0.383	-	1.941	3.860
2017	1.236	0.113	1.349	0.241	-	1.831	3.421
2018	1.288	0.205	1.493	0.209	-	1.831	3.533
2019	1.457	0.234	1.691	0.456	0.002	1.835	3.984
2020	1.467	0.232	1.699	0.493	0.002	1.740	3.934
2021	1.454	0.240	1.694	0.516	0.006	1.685	3.901
2022	1.422	0.190	1.612	0.519	0.006	1.640	3.777

N/A = Municipal Tax Rate is not available

Source: District Records and Municipal Tax Collector

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

Exhibit J-8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mirage A C Corp (MAC)	120,509,000.00	1	5.01%	not available		
AC Holding Corp	20,501,800.00	2	0.85%			
Colosseo Atlantic City Inc.	19,225,100.00	3	0.80%			
TJM Atlantic City LLC	18,115,100.00	4	0.75%			
CRDA/Headquarters Hotel	18,000,000.00	5	0.75%			
Grand Prix Atlantic	13,700,000.00	6	0.57%			
CRDA/Renaissance	12,200,000.00	7	0.51%			
Thermal Energy Limited Partnership	9,477,000.00	8	0.39%			
Showboat Renaissance LLC	8,660,500.00	9	0.36%			
Boardwalk Investment	8,650,000.00	10	0.36%			
Totals	\$ 249,038,500.00		10.35%	\$ -		0.00%
	District Assessed Value		\$ 2,429,533,483.00			\$ 14,402,873,676.00

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	134,452,430.00	134,452,430.00	100%	-
2014	133,515,744.00	133,515,744.00	100%	-
2015	131,956,921.00	131,956,921.00	100%	-
2016	81,888,890.00	81,888,890.00	100%	-
2017	90,077,234.00	90,077,234.00	100%	-
2018	87,772,566.00	87,772,566.00	100%	-
2019	87,785,483.00	87,785,483.00	100%	-
2020	87,786,131.00	87,786,131.00	100%	-
2021	87,715,859.00	87,715,859.30	100%	-
2022	85,973,474.00	85,973,474.00	100%	-

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	* Percentage of Personal Income	* Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2013	107,076,000.00	1,135,000.00	-	-	-	108,211,000.00	0.04%	42,099.00
2014	95,921,000.00	-	-	-	-	95,921,000.00	0.04%	42,099.00
2015	84,936,000.00	-	-	-	-	84,936,000.00	0.04%	35,165.00
2016	75,256,000.00	-	-	-	-	75,256,000.00	0.05%	37,198.00
2017	69,696,000.00	-	-	-	-	69,696,000.00	0.06%	44,254.00
2018	63,161,000.00	-	-	-	-	63,161,000.00	0.00%	44,254.00
2019	64,444,000.00	-	-	-	-	64,444,000.00	0.07%	46,557.00
2020	60,413,000.00	-	-	-	-	60,413,000.00	0.08%	48,668.00
2021	52,973,000.00	-	-	-	-	52,973,000.00	0.10%	50,631.00
2022	49,921,000.00	-	-	-	-	49,921,000.00	0.11%	55,802.00

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita Personal Income
	General Obligation Bonds	Deductions			
2013	107,076,000.00	-	107,076,000.00	0.74%	42,099
2014	95,921,000.00	-	95,921,000.00	0.85%	42,099
2015	84,936,000.00	-	84,936,000.00	1.16%	35,165
2016	75,256,000.00	-	75,256,000.00	1.15%	43,336
2017	69,696,000.00	-	69,696,000.00	2.24%	37,198
2018	63,161,000.00	-	63,161,000.00	2.19%	44,254
2019	64,444,000.00	-	64,444,000.00	2.55%	46,557
2020	60,413,000.00	-	60,413,000.00	2.41%	48,668
2021	52,973,000.00	-	52,973,000.00	2.18%	50,631
2022	49,921,000.00	-	49,921,000.00	2.07%	55,802

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

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
For the Year Ended December 31, 2021

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Atlantic City	\$ 316,424,000.00	100.00%	\$ 316,424,000.00
Other Debt			
County of Atlantic	203,998,316.30	8.01%	<u>16,345,330.82</u>
Subtotal, Overlapping Debt			332,769,330.82
City of Atlantic City School District Debt			<u>49,921,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 382,690,330.82</u></u>

Sources: City of Atlantic City and Atlantic County Finance Office

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

Exhibit J-13

Equalized valuation basis

2021	\$ 2,752,388,675.00
2020	2,922,817,076.00
2019	2,868,251,380.00
	<u>8,543,457,131.00</u>
	\$ 2,847,819,043.67
	113,912,761.75
	<u>621,037.70</u>
	<u>63,951,101.75</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 652,363,176.00	\$ 638,092,277.00	\$ 551,482,382.00	\$ 463,193,332.29	\$ 347,803,920.09	\$ 234,986,888.15	\$ 159,827,730.57	\$ 112,337,477.15	\$ 113,984,761.23	\$ 113,912,761.75
Total net debt applicable to limit	107,076,000.00	95,921,000.00	84,936,000.00	75,256,000.00	69,696,000.00	63,161,000.00	64,444,000.00	60,413,000.00	52,973,000.00	49,921,000.00
Legal debt margin	\$ 599,083,749.00	\$ 545,287,176.00	\$ 542,171,277.00	\$ 466,546,382.00	\$ 387,937,332.29	\$ 278,107,929.09	\$ 165,290,888.15	\$ 51,924,477.15	\$ 61,011,761.23	\$ 63,991,761.75
Total net debt applicable to the limit as a percentage of debt limit	16.41%	15.03%	15.40%	16.25%	20.04%	29.66%	39.52%	53.78%	46.47%	43.82%

Source: District Records ACFR

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

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
2013	39,504	1,663,078.90	42,099	19.6%
2014	39,551	1,665,057.55	42,099	16.5%
2015	39,415	1,386,028.48	35,165	14.8%
2016	39,260	1,701,371.36	43,336	13.2%
2017	38,735	1,440,864.53	37,198	10.1%
2018	38,429	1,700,636.97	44,254	10.1%
2019	37,804	1,760,040.83	46,557	7.7%
2020	37,743	1,836,876.32	48,668	7.1%
2021	37,569	1,902,156.04	50,631	25.7%
2022	38,466	2,146,479.73	55,802	13.1%

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

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

Exhibit J-15

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

This information is not available.

Source: N/A

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

Exhibit J-16

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2020	2022
Instruction:										
Regular instruction	644	643	609	520	520	484	546	547	518	559
Special education instruction	132	135	198	201	203	220	139	158	162	165
Other Instruction	47	45	30	31	31	44	59	41	30	30
Support Services:										
Student & instruction related services	105	106	143	94	94	107	103	108	112	118
General administrative services	10	10	10	4	11	11	11	15	4	4
School administrative services	77	76	59	53	48	48	48	54	49	49
Central Services	38	36	25	26	16	19	20	19	29	20
Plant operations and maintenance	142	145	157	142	145	145	145	137	137	129
Pupil transportation	2	2	2	2	2	2	2	2	2	2
Food Service	1	1	1	1	1	1	1	1	1	1
Total	1,198	1,199	1,234	1,074	1,071	1,081	1,074	1,082	1,044	1,076

Source: District Personnel Records

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

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2013	7,290	164,845,986.00	22,613	79.00%	823	9:1	n/a	11:1	6,915	6,455	7.77%	93.35%
2014	7,221	172,455,082.44	23,892	5.62%	823	9:1	n/a	11:1	7,164	6,548	3.61%	91.40%
2015	7,188	176,311,523.28	24,529	2.71%	837	15:1	n/a	11:1	7,106	6,658	-0.81%	93.70%
2016	7,155	161,033,678.37	22,506	-8.24%	721	9:1	n/a	13:1	7,118	6,642	0.17%	93.31%
2017	7,054	162,180,015.56	22,991	2.15%	723	9:1	n/a	13:1	6,969	6,448	-2.09%	92.52%
2018	6,982	165,763,298.77	23,742	3.26%	718	11:1	n/a	12:1	6,952	6,404	-0.24%	92.12%
2019	6,789	170,453,905.65	25,107	5.75%	711	10:1	n/a	12:1	6,550	6,042	-5.78%	92.24%
2020	6,771	168,327,503.97	24,860	-0.98%	714	11:1	n/a	10:1	6,740	6,298	2.90%	93.44%
2021	6,441	186,395,639.95	28,939	16.41%	710	11:1	n/a	10:1	6,399	5,713	-5.06%	89.28%
2022	6,350	201,046,963.91	31,661	9.41%	754	10:1	n/a	10:1	6,291	5,486	-1.69%	87.20%

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

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

Exhibit J-18

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Buildings</u>										
<u>Elementary</u>										
Brighton Avenue (1905 & 1916)										
Square Feet	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100	53,100
Capacity (students)	315	315	315	315	315	315	315	315	315	315
Enrollment	-	339	340	385	368	346	347	351	312	299
Chelsea Heights (1950, 1976 & 2001)										
Square Feet	32,100	32,100	32,100	32,100	32,100	32,100	32,100	32,100	32,100	32,100
Capacity (students)	388	388	388	388	388	388	388	388	388	388
Enrollment	408	284	345	372	373	367	371	383	332	303
Dr. Martin Luther King School (1976 & 2001)										
Square Feet	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200	91,200
Capacity (students)	811	811	811	811	811	811	811	811	811	811
Enrollment	779	692	680	625	636	599	629	597	542	536
Indiana Avenue (1906 & 1922) East Campus										
Square Feet	76,640	76,640	76,640	76,640	76,640	76,640	76,640	76,640	76,640	76,640
Capacity (students)	549	549	549	549	549	549	549	549	549	549
Enrollment (closed)	163	73	42	-	-	-	-	-	-	-
New Jersey Avenue (1925)										
Square Feet	78,880	78,880	78,880	78,880	78,880	78,880	78,880	78,880	78,880	78,880
Capacity (students)	781	781	781	781	781	781	781	781	781	781
Enrollment (closed)	-	-	-	-	-	-	-	-	-	-
New York (2004)										
Square Feet	96,619	96,619	96,619	96,619	96,619	96,619	96,619	96,619	96,619	96,619
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	600	672	604	610	569	605	571	566	557	577
Pennsylvania Avenue (2012)										
Square Feet	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000
Capacity (students)	733	733	733	733	733	733	733	733	733	733
Enrollment	628	640	551	562	555	559	553	573	549	571
Richmond Avenue (2012)										
Square Feet	119,140	119,140	119,140	119,140	119,140	119,140	119,140	119,140	119,140	119,140
Capacity (students)	623	623	623	623	623	623	623	623	623	623
Enrollment	399	611	631	640	665	715	669	679	615	586

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

Exhibit J-18

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Buildings</u>										
Sovereign Avenue (2004)										
Square Feet	105,350	105,350	105,350	105,350	105,350	105,350	105,350	105,350	105,350	105,350
Capacity (students)	719	719	719	719	719	719	719	719	719	719
Enrollment	909	737	744	772	743	736	730	740	695	698
Texas Avenue (1928 & 1956)										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (students)	405	405	405	405	405	405	405	405	405	405
Enrollment	576	582	549	531	551	560	534	533	500	470
Uptown School Complex (1977, 1988 & 2001)										
Square Feet	111,385	111,385	111,385	111,385	111,385	111,385	111,385	111,385	111,385	111,385
Capacity (students)	654	654	654	654	654	654	654	654	654	654
Enrollment	539	617	593	598	601	571	540	575	536	514
Venice Park (1950) (Preschool)										
Square Feet	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	99	93	104	93	97	75	67	58	36	47
<u>High School</u>										
Atlantic City High School (1994)										
Square Feet	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
Capacity (students)	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703
Enrollment	1,416	1,881	1,906	1,967	1,843	1,849	1,778	1,716	1,767	1,749
<u>Other</u>										
Boathouse (1994)										
Square Feet	12,039	12,039	12,039	12,039	12,039	12,039	12,039	12,039	12,039	12,039
Total Enrollment	6,516	7,221	7,089	7,155	7,001	6,982	6,789	6,771	6,441	6,350

Number of Schools at June 30, 2022
 Pre-school - 1.
 Elementary - 9
 High School - 1
 Alternative High School - closed

Source: District Records, ASSA

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

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Atlantic City High School	N/A	\$ 1,084,189.00	\$ 1,679,476.90	\$ 1,346,828.00	\$ 653,337.63	\$ 765,824.25	\$ 848,151.83	\$ 992,366.59	\$ 810,137.12	\$ 769,658.92	\$ 1,073,828.16
Texas Avenue	N/A	281,268.00	280,233.87	153,923.00	74,667.06	106,619.00	102,902.56	138,068.40	112,714.73	107,082.98	212,707.24
Uptown School Complex	N/A	369,974.00	504,892.32	307,846.00	149,334.12	185,526.00	179,056.12	240,292.94	196,167.66	186,366.21	441,853.17
Dr. Martin Luther King School	N/A	357,531.00	497,383.61	230,885.00	112,000.83	151,944.00	210,233.18	196,747.46	160,618.49	152,593.25	245,885.79
Brighton Avenue	N/A	98,000.00	232,167.16	153,923.00	74,667.06	86,301.00	85,206.54	114,553.62	93,518.00	88,846.41	129,305.56
Richmond Avenue	N/A	175,937.00	79,871.54	307,846.00	149,334.12	198,443.00	191,522.01	257,022.95	209,825.51	199,341.66	250,389.77
Chelsea Heights	N/A	197,107.00	187,335.74	76,962.00	37,333.77	53,544.00	51,685.10	69,249.83	56,533.48	53,708.81	137,566.90
Pennsylvania Avenue	N/A	66,480.00	90,752.56	269,365.00	130,667.24	171,436.00	165,443.87	222,203.62	181,400.27	172,336.67	192,362.44
New York	N/A	242,245.00	362,997.35	269,365.00	130,667.24	160,868.00	155,250.82	208,437.97	170,162.26	161,660.16	158,128.17
Sovereign Avenue	N/A	179,810.00	155,245.59	269,365.00	130,667.24	175,428.00	169,305.19	227,273.52	185,539.01	176,268.62	212,995.15
Venice Park	N/A	53,120.00	29,818.84	38,481.00	18,666.89	11,742.00	11,311.44	15,470.24	12,629.33	11,998.31	120,781.95
Total School Facilities	N/A	3,337,177.00	4,226,853.15	3,848,078.00	1,866,677.98	2,348,435.25	2,282,178.60	2,848,773.83	2,325,650.05	2,209,449.81	3,175,804.30
Other Facilities	N/A	100,000.00	242,186.00	-	-	-	-	-	-	-	-
Grand Total	N/A	\$ 3,437,177.00	\$ 4,469,039.15	\$ 3,848,078.00	\$ 1,866,677.98	\$ 2,348,435.25	\$ 2,282,178.60	\$ 2,848,773.83	\$ 2,325,650.05	\$ 2,209,449.81	\$ 3,175,804.30

Source: District Records

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2022
(Unaudited)

Exhibit J-20

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

Source: District Records

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-1

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantic City School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Atlantic City School District's basic financial statements, and have issued our report thereon dated March 14, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Michael S. Garcia

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

March 14, 2023



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& ASSOCIATES, L.L.C.

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K-2

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08

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

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the City of Atlantic City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of Atlantic City School District's major federal and state programs for the year ended June 30, 2022. The City of Atlantic City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Atlantic City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Atlantic City School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Atlantic City School District's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Atlantic City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Atlantic City School District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Atlantic City School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Atlantic City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of City of Atlantic City School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on 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 federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Michael S. Garcia

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

March 14, 2023

CITY OF ATLANTIC CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal EAN Number	Grant or Project Number	Program or Award Amount	From	To	Grant Period	Accounts Receivable	Balance at June 30, 2021	Deferred Revenue	Due to Grantor	Complier/(Walker) Amount	Cash Received	Budgetary Expenditures		Repayment Balances	Adjustments	(Accounts Receivable)	Deferred Revenue	Due to Grantor at June 30, 2022
														Pass Through	Total					
U.S. Department of Education																				
General Fund:																				
Impact Aid	84.041			\$ 94,803.61	9/1/2021		8/30/2022	\$ -	\$ -	\$ -	\$ -	\$ 94,803.61	\$ -	\$ (94,803.61)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Health and Human Services																				
Pass-Through State Department of Health																				
Medical Assistance Program (SEMI)	93.778	210N5J5MAP		124,904.20	9/1/2021		8/30/2022		124,904.20			124,904.20		(124,904.20)						
Total General Revenue Fund												219,707.81		(219,707.81)						
U.S. Department of Education																				
Special Revenue Fund:																				
Title I	84.010	S010A200030		4,830,993.00	7/1/2020		6/30/2021	(425,217.36)				428,415.26						0.00		
Title I, SIA	84.010	S010A210030		4,721,134.00	7/1/2021		6/30/2022					3,137,542.44		(3,137,542.44)				(654,738.59)		
Title I, Reallocated	84.010	S010A200030		87,445.00	7/1/2020		6/30/2021	(61,442.39)				59,395.00						(0.09)		
Title I, SIA	84.010	S010A200030		2,955,327.27	7/1/2020		6/30/2021	(1,163,026.17)				1,555,621.00		(931,930.02)				(639,335.19)		
ID.E.A. Part B, Basic Regular	84.027	H027A200100		2,244,899.62	7/1/2020		6/30/2021	(77,321.11)				278,355.00		(1,728,641.28)				(92,683.39)		0.39
ID.E.A. Part B, Basic Regular	84.027	H027A210100		1,762,993.00	7/1/2021		6/30/2022					1,434,914.00		(1,651,161.61)						
ARP - ID.E.A. Part B, Basic Regular	84.027X	H027X210100		397,241.00	7/1/2021		6/30/2022					165,162.00		(1,651,161.61)						
ID.E.A. Part B, Preschool	84.173	H173A200114		41,657.00	7/1/2020		6/30/2021	(29,652.52)				58,089.00		(48,779.99)				(21,343.51)		
ID.E.A. Part B, Preschool	84.173	H173A210114		41,872.00	7/1/2021		6/30/2022					2,852.00		(2,852.28)				(0.28)		
ARP - ID.E.A. Part B, Preschool	84.173X	H173X210114		41,872.00	7/1/2021		6/30/2022					2,852.00		(2,852.28)						
Perkins	84.048	V048A200030		82,311.00	7/1/2020		6/30/2021	(33,106.11)				45,548.00		(44,883.69)				(32,441.80)		
Perkins	84.048	V048A210030		59,697.00	7/1/2021		6/30/2022					530,086.00		(397,550.99)				(66,423.16)		
Title IA	84.367A	S367A200029		819,740.16	7/1/2020		6/30/2021	(288,234.17)				89,270.00		(397,550.99)						
Title IA	84.367A	S367A210029		345,350.00	7/1/2021		6/30/2022					186,473.00		(199,272.72)				(65,213.51)		
Title III	84.365	S365A200030		225,135.00	7/1/2020		6/30/2021	(66,076.79)				13,663.00		(199,272.72)						
Title III	84.365	S365A210030		253,862.00	7/1/2021		6/30/2022					300,142.62		(405,088.80)						100,292.70
Title IV	84.424	S424A200031		522,141.27	7/1/2020		6/30/2021	(64,777.50)				1,302,420.00		(741,459.68)				(4,189,965.15)		73,745.08
CARES Emergency Relief Grant	84.425D	S425D200027		3,747,332.00	3/13/2020		9/30/2023	(487,217.24)				2,293,738.00		(2,541,169.59)				(247,451.59)		
ARP - ESSER I	84.425U	S425U210027		34,420,796.00	7/1/2020		9/30/2023													
ARP - ESSER II	84.425U	S425U220027		15,315,588.00	3/13/2020		9/30/2024													
COVID Relief Fund	21.019	SLT00989		892,772.00	7/1/2020		12/31/2020				10,646.42									
AFRA Race To The Top Preschool Development Grant-Expansion	84.19B	S419B190020		3,327,995.00	7/1/2019		6/30/2020					0.50								0.50
Total Special Revenue Fund								(2,696,071.36)			10,646.42	12,149,722.70		(15,101,295.73)			2,047.30	(5,819,633.26)		174,036.67
U.S. Department of Agriculture																				
Pass-Through State Department Enterprise Fund:																				
National School Lunch Program	10.555	21161N1304N1099		1,079,199.50	7/1/2020		6/30/2021	(118,332.75)				118,332.75		(3,515,148.77)				(669,255.69)		
National School Lunch Program	10.555	21161N1304N1099		3,515,148.77	7/1/2021		6/30/2022					2,846,893.08		(2,076,197.87)				(392,974.68)		
National School Breakfast Program	10.553	21161N1304N1099		616,348.50	7/1/2020		6/30/2021	(67,706.94)				67,706.94		(260,757.34)				(48,916.58)		
National School Breakfast Program	10.553	21161N1304N1099		2,076,197.87	7/1/2021		6/30/2022					15,428.49		(260,282.34)				(4,798.08)		
Fresh Fruit & Vegetable	10.582	21161N1304L1603		118,954.94	7/1/2020		6/30/2021	(15,428.49)				270,591.94		(642,593.60)						15,107.68
Fresh Fruit & Vegetable	10.582	21161N1304L1603		280,757.34	7/1/2021		6/30/2022					642,593.60		(6,754,979.92)				(1,114,945.03)		
CACF - Dinner Program	10.558	221N1304N1089		280,282.34	7/1/2021		6/30/2022							(22,075,983.46)				(6,934,578.29)		
EM Schools	10.555	221N1304N1099		642,593.60	7/1/2021		6/30/2022					5,856,610.75		(6,754,979.92)				(1,114,945.03)		
Total Enterprise Fund								(201,468.18)			10,646.42	18,226,041.28		(22,075,983.46)			2,047.30	(6,934,578.29)		189,144.35
Total Federal Financial Award:								(2,897,539.54)			10,646.42	18,226,041.28		(22,075,983.46)			2,047.30	(6,934,578.29)		189,144.35

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE ASSISTANCE
JUNE 30, 2022**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIPS TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,722,168.40) for the general fund and \$103,171.27 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Local Grants	TPAF Pension	Total
General Fund	\$ 219,707.81	\$ 126,016,402.54	\$ -	\$ -	\$ 126,236,110.35
Special Revenue Fund	15,101,295.73	6,452,244.24	15,790.29	-	21,569,330.26
Debt Service Fund	-	491,797.00	-	-	491,797.00
Food Service Fund	-	-	-	-	-
	<u>\$ 15,321,003.54</u>	<u>\$ 132,960,443.78</u>	<u>\$ 15,790.29</u>	<u>\$ -</u>	<u>\$ 148,297,237.61</u>

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE ASSISTANCE
JUNE 30, 2022**

NOTE 4 RELATIONSHIPS TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. 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, 2022. This amount is included in the State column above.

NOTE 6 ADJUSTMENTS

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2022**

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion issued on the Basic Financial Statements
Internal control over financial reporting:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Noncompliance material to basic financial Statements noted?	None noted

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	None noted

Identification of major programs:

<u>CFDA Numbers</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>State Fiscal Stabilization Fund Under Coronavirus Aid Relief Aid, & Economic Security Act</u>		
84.425D	S425D200027	Cares Emergency Relief
84.425U	S425U210027	ARP - ESSER
84.425U	S425U210027	ARP – ESSER II

Dollar threshold used to distinguish between type A and type B programs:	\$750,000.00
Auditee qualified as low-risk auditee?	Yes

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2022**

I. SUMMARY OF AUDITORS RESULTS - Continued

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$2,577,028.09
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No
Identification of major programs:	

GMIS Numbers

Name of State Program

State Aid Public Cluster of Programs

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

**CITY OF ATLANTIC CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2022**

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

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

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

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

STATUS OF PRIOR YEAR FINDINGS

There were no Prior Year Findings.